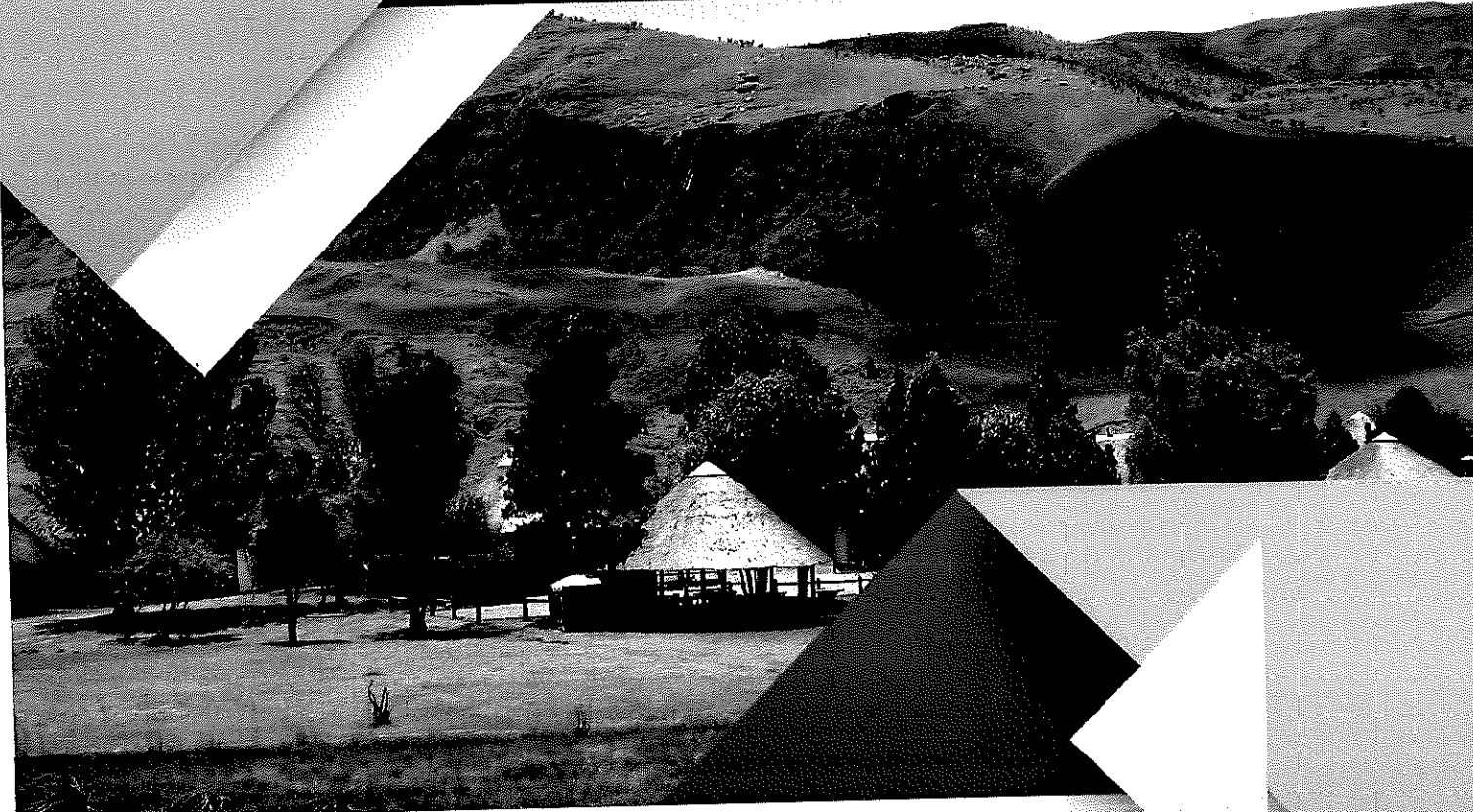




IMPENDLE MUNICIPALITY 2018/19 ANNUAL REPORT



IMPENDLE MUNICIPALITY DRAFT ANNUAL REPORT 2018/19



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LIST OF ACRONYMS

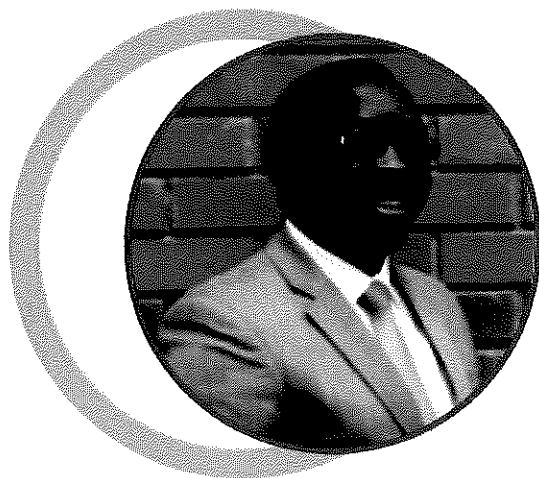
AG	Auditor General of South Africa
AIDS	Acquired Immune Deficiency Syndrome
BOSS	Business Opportunities Support Services
CBD	Central Business District
CBP	Community-Based Planning
CCTV	Close Circuit Television
CCMA	Commission for Conciliation Mediation and Arbitration
CDW	Community Development Worker
CFO	Chief Financial Officer
Cllr.	Councillor
COGTA	Department of Cooperative Governance and Traditional Affairs
ED	Executive Direct
EPWP	Expanded Public Works Programme
GRAP	Generally Recognised Accounting Practice
HIV	Human Immunodeficiency Virus
HRM	Human Resources Management
ICT	Information and Communication Technology
IDC	Industrial Development Corporation
IDP	Integrated Development Plan
ILM	Impendle Local Municipality
IPMS	Individual Performance Management System
Km	Kilometer
Kl	Kilolitre
KPAs	Key Performance Areas
LGSETA Local	Government Sector Education and Training Authority
LLF	Labour and Local Government Forum
MIG	Municipal Infrastructure Grant
MFMA	Municipal Financial Management Act
MUNIMEC	Forum of Municipalities and Members of the Executive Councils
MEC	Member of the Executive Council
MPRA	Municipal Property Rates Act

MSA	Municipal Systems Act (Act No. 6 of 2000)
MOU	Memorandum of Understanding
NYDA	National Youth Development Agency
PDI	Previously Disadvantaged Individuals
SALA	South African Labour Association
SCM	Supply Chain Management
SALGA	South African Local Government Association
SALGBC	South African Local Government Bargaining Council
SAMWU	South African Municipal Workers Union
SANS	South African National Standards
SDBIP	Service Delivery and Budget Implementation Plan
SEDA	Small Enterprise Development Agency
SMME	Small, Micro and Macro Enterprises
STATSSA	Statistics South Africa
UIF	Unemployment Insurance Fund
VIP	Ventilated Improved Pit-latrines

CHAPTER 1

MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

COMPONENT A: MAYOR'S FOREWORD



Cllr. S.G Ndlela
Honourable Mayor

Vision

Members of Impendle Council, Impendle Municipality Officials and all present, it is with great pleasure that I present the Annual Report on the activities of the Impendle Local Municipality for the financial year 1 July 2018 to 30 June 2019. As Impendle Local Municipality's (ILM) our vision is "A better life for all people of Impendle through provision of sustainable access to basic services thus promoting stabilized social cohesion and economic development" In 2018/2019 the municipality continued with its attempts to deliver essential services to the community of Impendle through effective infrastructure and financial planning Municipality was able to deliver about 10 km of roads including tarring village roads, In partnership with department of Transport launched the construction of P127 which links Howick and Impendle We have also initiated the process of constructing the Nxamalala sports field in partnership with Department of Arts and Culture , We delivered over 400 units/electrical connections and 400 community members benefited on new installations of electricity. We launched a housing project that is aimed at providing decent shelter for 1500 Impendle citizens. These are just few key milestones which the municipality was able to achieve. This report will outline details of both successes and achievements that the municipality achieved also challenges that the municipality faced during the period ended 30 June 2019. In conclusion, despite minor challenges that the municipality faces in respect of service delivery backlogs pertaining to functions rendered by other spheres of state such as water, sanitation, roads, electricity as well as free basic services the Municipality is doing relatively well.

Key Policy Developments

Economic development and job creation is an area in which the municipality put for emphasis on over the next coming five years and even more. The construction of the Maze Mill Plant built in Impendle Village is part of the Small Town Rehabilitation Program funded by the Department of Cooperative Governance and Traditional Affairs. The revision of the local economic development strategy of the municipality will include these new initiatives and a number of jobs will be created from production of raw material to the retailing of the final product. This opens the opportunity for the revival of cooperatives.

Key Service Delivery Improvements

We are mindful of the fact that good infrastructure is the basis for economic growth. Special attention is paid to our roads and storm water infrastructure. The Municipality also benefited from the spending 100% of its MIG and obtain additional funding which added to the upgrading of its infrastructure. Despite the challenge of plant breakdown the municipality continued to maintain community gravel roads in the past financial year. We are also doing reasonably well in the area of growing the economy and thus creating job opportunities. We are aware that SMMEs are central to growing the economy and boosting the campaign around job-creation. We have facilitated the establishment of more than 20 SMMEs in the previous year. We have successfully linked these SMMEs with funding institutions. We

further awarded most outsourced services to SMMEs to help them get established. As a result, SMMEs have contributed to the efforts to eradicate unemployment by creating job opportunities. In partnership with various SETA's the municipality managed to train members of the community in skills like bricklaying, environmental, plumbing, etc.

Public Participation

The municipality continue to focus on matters related to governance such as policies, public participation as well as improved audit outcomes. We regard ward committee as a pivotal point for communicating with the community hence the ward committees were fully functional during the reporting period. Their functionality had been reinforced by the municipality's appointment of part time Ward Committee administrators who helped consolidate their work even further. Public participation is an institutionalized function in our Municipality. Our communities have learnt to appreciate the elaborative process which ensures that all interested residents are afforded ample opportunity to make meaningful contributions to policy development and planning for development in the municipal jurisdiction.

The evolution of ward-based planning and the related establishment of Ward Committee system have elevated community participation to higher level in terms of legal provision and institutionalization of the process. Impendle Local Municipality, through the Office of the Speaker, liaises continuously with communities through Ward Committee members and other stakeholder forums. In order to facilitate maximum participation by Ward Committee members, the Municipality provides monthly stipends of R1100.00 for each member. Ward committees are functioning pretty well in all 4 wards. Reports are received monthly and follow-ups made where necessary. Stakeholder forums with business community have also been established. Inputs are regularly solicited from these constituencies on a constant basis. Meetings are held as the need dictates. Otherwise, maximum participation takes place during annual IDP reviews and the tabling of annual budget.

Agreements / Partnerships

In terms of intergovernmental relations and cooperation, it can be reported that the KZN Department of Human Settlement saw to the completion of the Rural Housing programme which had started a few years earlier. One of the three projects was completed in the 2012/2013 financial year and in the same year the new phase of housing delivery of another 1500 units commenced. Relations with the UMgungundlovu District Municipality had improved substantially during the previous two years and remained good during the year under review.

Conclusion

In conclusion, The municipality has over the years made improvements in the provision of services to the community and delivery of basic infrastructure to its citizen and will continue do so in the future, However we also feel that it is time that we also pay much focus, on impacting our community through economic development, empower our youth, Women and Disable citizens to fully participate in the economy of the country and thus to open our doors to the private sector for investing opportunities within Impendle.

Cllr. S.G Ndlela
Mayor

COMPONENT B: EXECUTIVE SUMMARY

1.1. MUNICIPAL MANAGER'S OVERVIEW

Impendle Municipality is located within the uMgungundlovu District which is regarded as the heart of the KwaZulu Natal Midlands. Impendle is situated on the western boundary of the uMgungundlovu District, and shares a boundary with the Dr. Nkosazana Dlamini-Zuma (NDZ) formed after merging KwaSani and Ingwe Local Municipalities in the Harry Gwala District Municipal area. NDZ Municipality includes such towns as Underberg and Himeville. To the north is the uMngeni Local Municipality which is closely tied to the Impendle Municipality in terms of agriculture and potential tourism (Midlands Meander), and to the east The Msunduzi Local Municipality which is the capital of the province and economic hub of the District. Also to the west are District Management Areas of the Drakensberg that fall under the Transfrontier Development Initiative related to the World Heritage Site. Impendle is the smallest municipality in the uMgungundlovu District. Its economy is predominantly rural, and highly dependent on agriculture. The infrastructure is relatively poor and the municipality has insufficient resources to address basic infrastructure problems. There are however, specific natural assets which may give Impendle an economic advantage if fully explored. These include proximity to major tourist attractions, farming of woodlots, stock as well as abundant water resources. Impendle comprise of four wards described as follows:

Ward 1

This ward is located on the Western portion of the Municipality with the western boundary of the Municipality falling adjacent to the Drakensberg Mountains. It is by far the largest ward in terms of geographical area and consists of scattered rural settlements which have encroached onto Nature Reserves. Small pockets of traditional areas are also located along roads and rivers. There are three settlements which stand out above the rest in this ward, namely: Stof-felton, Lower & Upper Makhuzeni, Mahlutshini, Thunzi, Nkangala/Glen, Nzinga and Lotheni

Ward 2

Ward 2 has as its western boundary the Umkhomazi River while the Eastern Boundary is the Impendle Mountain. This Ward consists of the following settlements, namely: Ekukhanyeni, Compensation Swampo, Mgodi, Ntshiyabantu/ Shellfish, Qutshini and Nguga.

Ward 3

The western boundary of Ward 3 runs along the Impendle Mountain while the Eastern Boundary falls along the road from Boston to Impendle town to Howick. This ward consists of the town of Impendle and the following settlements: Novuka, kwaMlaba, Khetha, Ntokozweni, Lindokuhle, Phindangene, Smilobar, Sthunjwana, Fikesuthi, Come and See, Macksam & the Impendle Village.

Ward 4

This ward consists mainly of the farming community of Boston, Ivan Hoe and the settlements of: Gomane & Nhlam-bamkhosi and Nonguqa and Fikesuthi

1.2. POPULATION DEMOGRAPHICS

Population by gender

WARD	MALE	FEMALE	TOTAL
Ward 1	4004	4680	8684
Ward 2	4481	5066	9547
Ward 3	3815	4254	8069
Ward 4	3193	3613	6806
Total	15493	17613	33106

Source: Stats SA, 2011 Census

Population by group

WARD:	Black African	Coloured	Indian or Asian	White	Other	Total
Ward 1	8548	51	12	55	18	8684
Ward 2	9509	6	6	9	16	9546
Ward 3	8027	7	17	3	15	8069
Ward 4	6668	21	8	107	2	6806
Total	32753	85	42	174	51	33105

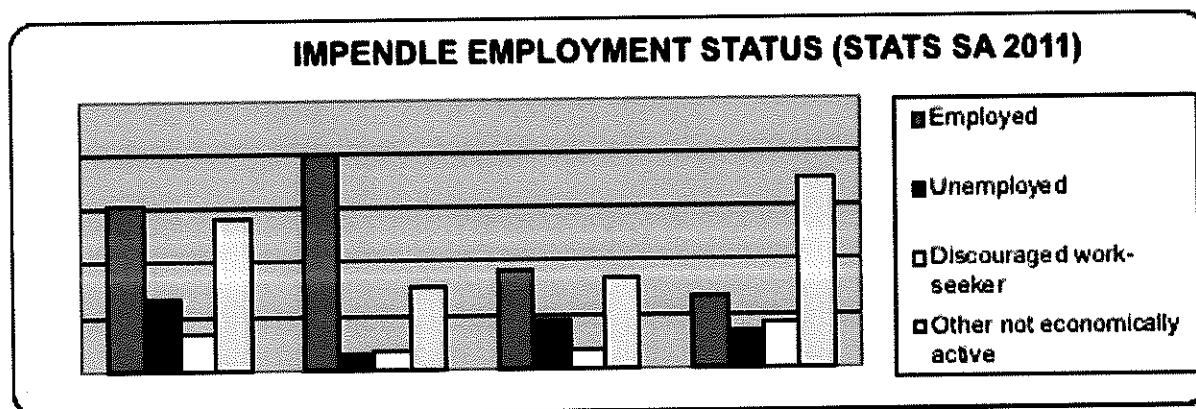
Source: Stats SA, 2011 Census

Population by head of household

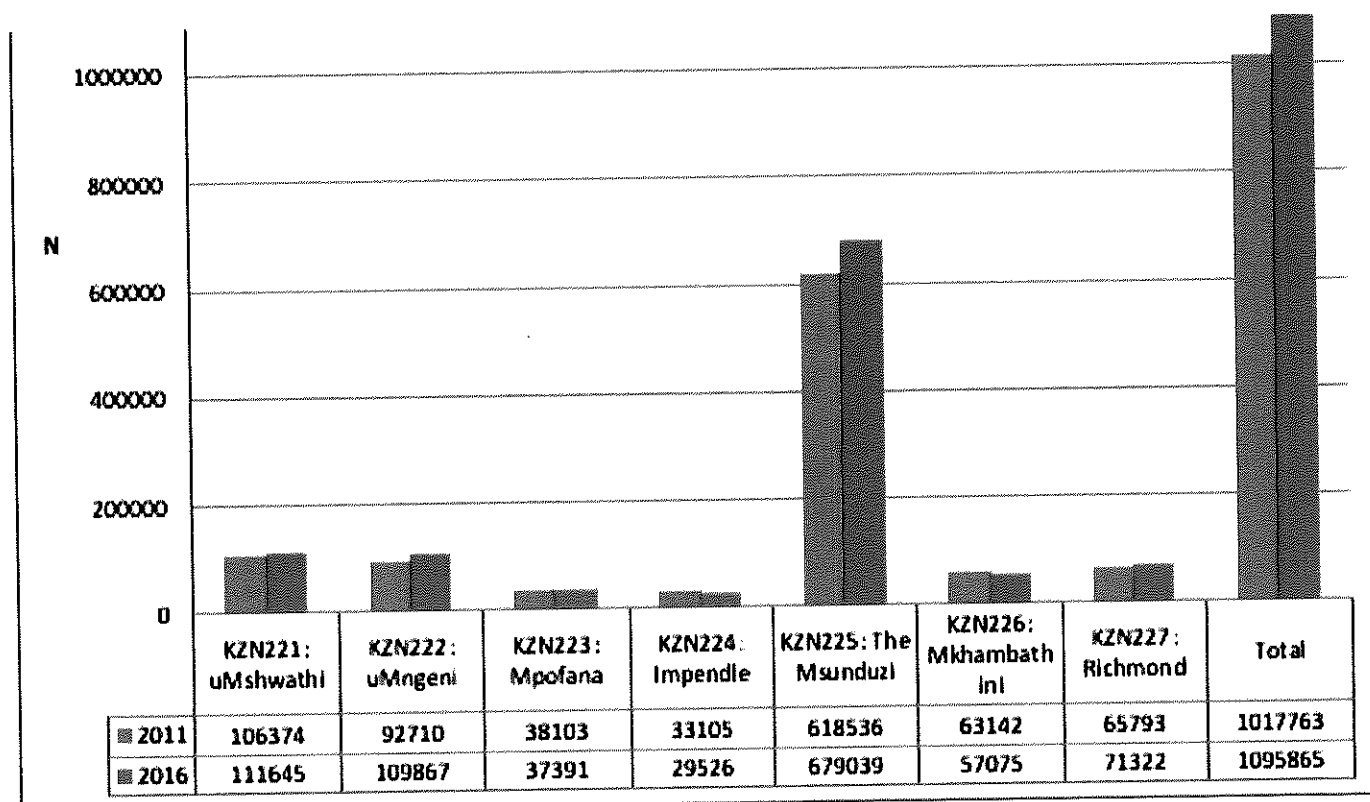
Ward:	Black African	Coloured	Indian or Asian	White	Other	Total
Ward 1	2153	23	3	22	7	2208
Ward 2	2266	1	3	1	3	2274
Ward 3	1807	3	4	1	5	1820
Ward 4	1832	3	4	59	2	1899
Total	8058	30	14	83	17	8202

Source: Stats SA, 2011 Census

Employment Status



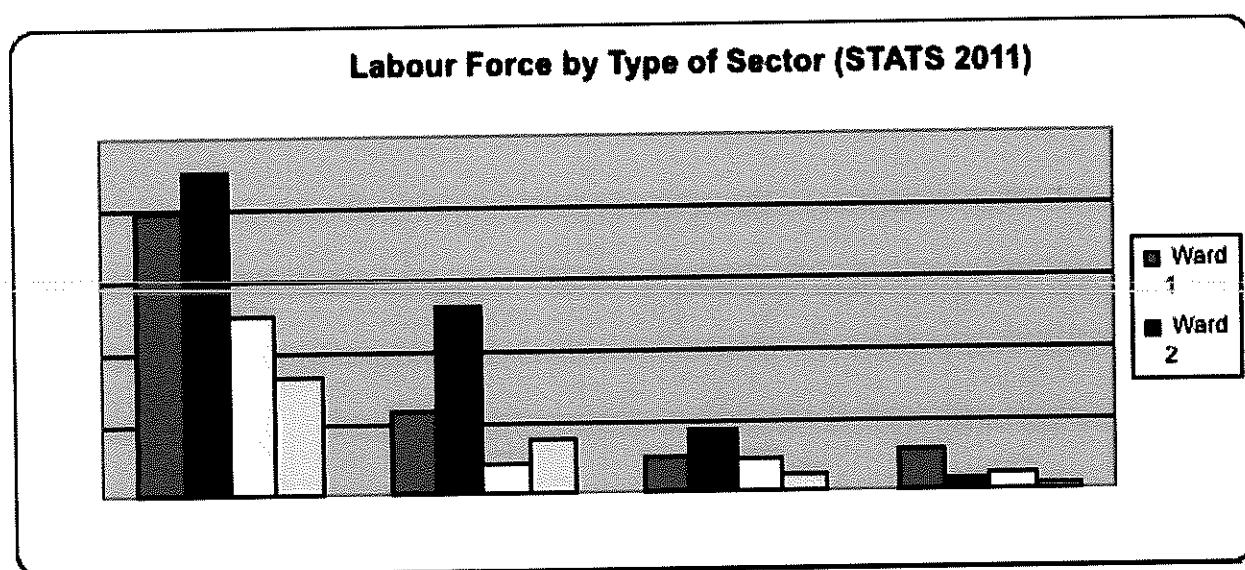
Graph Showing: Population by Local Municipality at UMgungundlovu District 2011-2016



stats SA. CS 2016

Sectoral Employment

Sectoral Employment by Ward



1.2. SERVICE DELIVERY OVERVIEW

The table below provides a summary of levels of services in Impendle, by type of service and trends during the Statistics South Africa Census 2001 and 2011 and Community Survey 2007. It is evident that Impendle has made reasonable strides in addressing the backlog of services.

Level of civil services in Impendle

IMPENDLE POPULATION	Census 2001	CS 2007	Census 2011	% CHANGE
Population	33569	39401	33105	-1.4%
Household	7343	7338	8203	11.7%
TYPE OF DWELLING	Census 2001	CS 2007	Census 2011	% CHANGE
Formal	39.6%	13.0%	-	-26.6%
Informal	0.8%	0.8%	-	0.0%
ELECTRICITY	Census 2001	CS 2007	Census 2011	% CHANGE
Lighting	61.1%	78.4%	83.6%	22.5%
Cooking	15.9%	24.3%	47%	31.1%
Heating	13.4%	11.4%	31%	17.6%
TOILET	Census 2001	CS 2007	Census 2011	% CHANGE
Pit latrine	86.5%	69.9%	85.6%	-0.9%
Bucket Toilet System	2.3%	0.0%	0%	-2.3%
No toilet	2.4%	1.4%	14.4%	12.4%
REFUSE DISPOSAL	Census 2001	CS 2007	Census 2011	% CHANGE
Removed by local authority / private company	2.5%	2.4%	4.8%	2.3%
No refuse disposal	4.5%	23.9%	93.4%	- %
WATER	Census 2001	CS 2007	Census 2011	% CHANGE
Piped water inside dwelling	5.7%	18.3%	16%	10.3%
Piped water inside yard	52.1%	37.8%	37.7%	-14.4%
Piped (tap) water to community stand	18.9%	18.5%	20%	1.1%
Total piped water	76.7%	74.7%	73.7%	-3.0%

Source: Statistics South Africa 2007, Census 2001 and 2011

ILM together with the Department of Human settlement has made good progress in building affordable housing. 1500 units have been constructed.

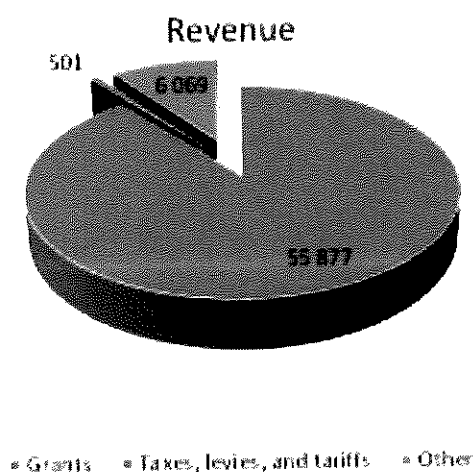
In respect of electricity, ILM has made good progress. Stats SA (2007) findings indicate that the level of provision of access stands at more than 90% overall. The provision of electricity in Impendle is at all-times high – more than 90%. In addition to physical connection, ILM provides free basic electricity to all registered indigents in line with the national government's directive.

Roads infrastructure is very critical to smooth provision of services and drives economic growth. For this and many other reasons, ILM has invested heavily in roads infrastructure. In the last five years, ILM rehabilitated and or gravelled 120 km funded from very small R&M votes using its own plant and equipment. Fifteen kilometers of major roads have been completed using MIG funding, external consultants and contractors costing more than R6 m. Despite the best efforts, backlog of road infrastructure is far from over. The backlog costs run into billion rands. The ILM has the highest rate of backlog a fact hardly surprising given its predominantly rural nature.

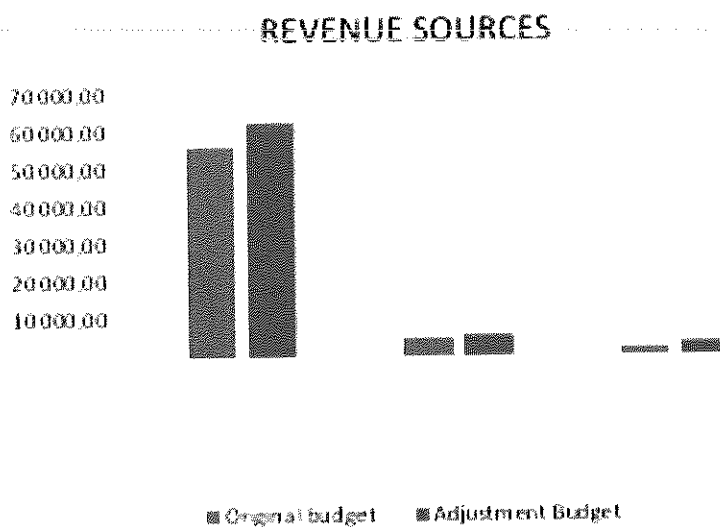
1.3. FINANCIAL VIABILITY OVERVIEW

Financial overview:

Details '000	Original budget	Adjustment Budget
Income:		
Grants	55 877	62 318
Taxes, levies, and tariffs	501	1 008
Other	6 069	7 579
Sub total	62 447	70 905
Less: OPEX	59 274	63 028
Less: CAPEX	12 523	17 523
Net total	-9 350	-9 646



Revenue Source '000	Original budget	Adjustment Budget
Grants	55 877	62 318
Own revenue	4 561	5 329
Other	2 009	3 258



This illustrates the Municipality's dependence on grants to function due to its predominantly rural composition. It is the Municipality's short to long term goal to increase substantially own revenues in order to increase its ability to deliver services to communities.

1.4. AUDIT OPINIONS BY THE AUDITOR-GENERAL OF ILM FINANCIAL SYSTEM

The Auditor-General has expressed a qualified audit opinion for the 2018/19 financial year.

Misstatement of financial information

The audit report indicated that the financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements of assets, liabilities, commitments and contingent liabilities were identified by the auditors in the submitted financial statements were subsequently corrected and the supporting records were provided subsequently, but the supporting records that could not be provided for assets relating to impairment resulted in the financial statements receiving a qualified audit opinion.

Misstatements were identified in the following areas

- Procurement and Contract Management
- Expenditure Management
- Strategic Planning and Performance
- Consequence Management

Inconsistency in the Performance management reporting

The report of the auditor general raised the following issue on performance management:

- Performance Management Indicators not well defined.
- Performance Management not verifiable

1.5. STATUTORY ANNUAL REPORT PROCESS

Circular 63 of the Municipal Finance Management Act 56 of 2003 (MFMA) suggest that the Annual Report be as follows:

The Annual Report of a municipality and every municipal entity must be tabled in the municipal council on or before 31 January each year (MFMA S127). In order to enhance oversight functions of Councils, please note that this must be interpreted as an outer deadline; hence municipalities must submit the Annual Reports as soon as possible after year end, namely, August. The entire process is concluded in the first or second week of December for all municipalities, the same year in which the financial year ends and not a year later, as is currently the case. The activities, implications, process/role-player and timeframes are described below for ease of reference and implementation. It is expected that effective management of performance will also result from this change.

Activity	Legislation and Guidance	Process Owner Role Player	Timeframe
Consideration of next financial year's Budget and IDP process plan. In-year reporting formats should ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the beginning of the Budget / IDP implementation period.	MSA S41(1)(e)	MM Assisted by other s56 managers & the CFO	July

Activity	Legislation and Guidance	Process Owner Role Player	Timeframe
Implementation and monitoring of approved Budget and IDP through the approved SDBIP commences (In-year financial reporting and quarterly performance reports).	MSA S41(1)(e)	MM Assisted by other s56 managers & The CFO	July
Finalise 4th quarter report of previous financial year	MFMA S52(d)	MM Assisted by other s56 managers & CFO	
Submit draft previous financial year Annual Report and evidence to Internal and the Auditor General including annual financial statements and financial and non-financial information.	Submission of annual financial statements as per section 126(1) of the MFMA. Additional step, a draft Annual Report is prepared. Annual Performance report needs to be included as per section 46 of the MSA.	MM & CFO	
Submit Annual Report including annual financial statements and Annual Performance Report to the Combined Audit/Performance Committee.			
Combined Audit/Performance committee considers unaudited Annual Report of municipality and entities (where relevant).	Joint Committee assessing both financial and non-financial performance advances accountability and expedites corrective measures	MM & CFO Audit and Performance Audit Committee	July/August

Activity	Legislation and Guidance	Process Owner Role Player	Timeframe
Mayor tables the unaudited Annual Report in Council.	The Annual Report submitted complies with the requirements of Section 121(3)(a-k). Information on pre-determined objectives to be included. Note that it is unaudited and will not include any of the Auditor-Generals reports as the auditing thereof will still be in progress. (Municipalities with Municipal entities to submit a consolidated Unaudited Annual Report by September)	Mayor	August
Municipality submits Annual Report including final annual financial statements and annual performance report to		CFO	
Auditor-General for auditing purposes – due 31 August. Council to submit unaudited tabled annual report to MPAC for vetting and verification of councils' directive on service delivery & the committee to evaluate senior managers' performance against agreement entered into.			
Commencement of IDP analysis of institutional, services and infrastructure provision, backlogs and priorities. Unaudited Annual Report as submitted to Auditor-General to be used as input into the IDP strategic phase process and community verification & input by MPAC on reported performance. Such information includes that of various entities incorporated into the information of the parent entity	If the above process is followed, the unaudited Annual Report can add value to the IDP/Budget planning process for the next year as well as oversight by MPAC on the reported deliverables by communities and achievements targets reached.	Council	

Activity	Legislation and Guidance	Process Owner Role Player	Timeframe
Auditor-General audits the unaudited Annual Report and submit an audit report to the accounting officer for the municipality / municipal entity.	Section 126(3)(b) require the Auditor- General to submit an audit report within three months after receipt of statements from the municipality.	Auditor-General	November for municipalities without entities & December for municipalities with entities
Annual Report and oversight report process for adoption to be used as input into public participating meetings for the IDP review process.	Section 127,128,129 and 130	Council	September November
The Auditor-General's reports are issued during the period of Oct/Nov. Once the AG audit reports have been issued no further changes are allowed as the audit process is completed			
Mayor tables audited Annual Report and financial statements to Council	Section 129, 130 and 131. Tabling the audited Annual Report within 5 or 6 months after the end of the financial year. Section 75 for Publication on website.	MM	November/December
Audited Annual Report is made public, e.g. posted on municipality's website.		Mayor	
Oversight committee finalises assessment on Annual Report. This must be concluded within 7 days of receipt of AGs report. Council is expected to conclude on this matter before going on recess in December.		IT Director Accounting officer	
		Oversight Committee	

Activity	Legislation and Guidance	Process Owner Role Player	Timeframe
Council adopts Oversight report.	The entire process, including oversight reporting and submission to provincial legislators is completed in December and not in March the following year.	Council	December
		MM	
		Mayor	

CHAPTER 2 GOVERNANCE

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE 2.1. POLITICAL GOVERNANCE

Municipalities in South Africa are governed by Municipal Councils. Impendle Council is therefore the governing body of the ILM and the custodian of its powers, duties and functions, both legislative and administrative. Essentially, the Council performs a legislative and executive role. The Constitution of the Republic of South Africa, 1996, Chapter 7, Section 160 (1) defines the role of the Council as being:

- a) (Making) decisions concerning the exercise of all the powers and the performance of all the functions of the mu-nicipality
- b) (Electing) its chairperson
- c) (Electing) an executive committee and other committees, subject to national legislation d) (Employing) personnel that are necessary for the effective performance of its functions

Table outlines and responsibilities, oversight and accountability of each structure.

The Governance Structure of Impendle

Structure	Responsible for	Oversight Over	Accountable to
Council	Approve policies and budget	Mayor, Mayoral Committee and Audit Committee	Community
Mayor/Speaker	Policies, budget, outcomes, management and oversight over Municipal Manager	Municipal Manager	Council
Audit and Performance Audit Committee	Advisory on internal financial control, internal audits, risk management, performance management and accounting policies. effective governance, compliance with this Act, the annual Division of Revenue Act and any, other applicable legislation, performance evaluation; and, any other issues referred to it by the municipality, review the annual financial statements to provide the council of the municipality with an authoritative and credible view of the financial position of the municipality its efficiency and effectiveness and its overall level of compliance with this Act, the annual Division of Revenue Act and any other applicable legislation, respond to the council on any issues raised by the Auditor-General in the audit report, carry out such investigations into the financial affairs of the municipality as the council of the municipality may request; and perform such other functions as may be prescribed.	The Administration	Council

Structure	Responsible for	Oversight Over	Accountable to
Municipal Manager	Outputs and implementation	The administration	
Mayor	Policies, budget, outcomes, management and oversight over Municipal Manager	Municipal Manager	Council
CFO & other HOD'S	Outputs and implementation	Financial management and operational functions	Municipal Manager
Internal Audit	Auditing and Reporting	Auditing of Internal Controls and Risk	Municipal Manager and audit Committee

The Impendle Council is constituted by seven (7) elected Councillors; four (4) Councillors are ward representatives and three (3) represent their political parties on a proportional basis. The parties in Council are illustrated in the Table below.

Political Parties represented in the Council, the total, ward and PR seats

Party	Total Seats	Ward Seats	PR Seats
African National Congress	6	4	2
Inkatha Freedom Party	1	0	1

a) The Mayor

The work of the Council is coordinated by the Mayor who is elected by the Council. The Mayor is at the centre of the system of governance, since executive powers are vested in him to manage the day-to-day affairs of the municipality. He has an overarching strategic and political responsibility. The key element of the executive model is that executive power is vested in the Mayor, delegated by the Council, as well as the powers assigned by legislation.

Table 2.1.3 Lists of Portfolio Committee in Impendle.

Portfolio Committees, 2018/2019

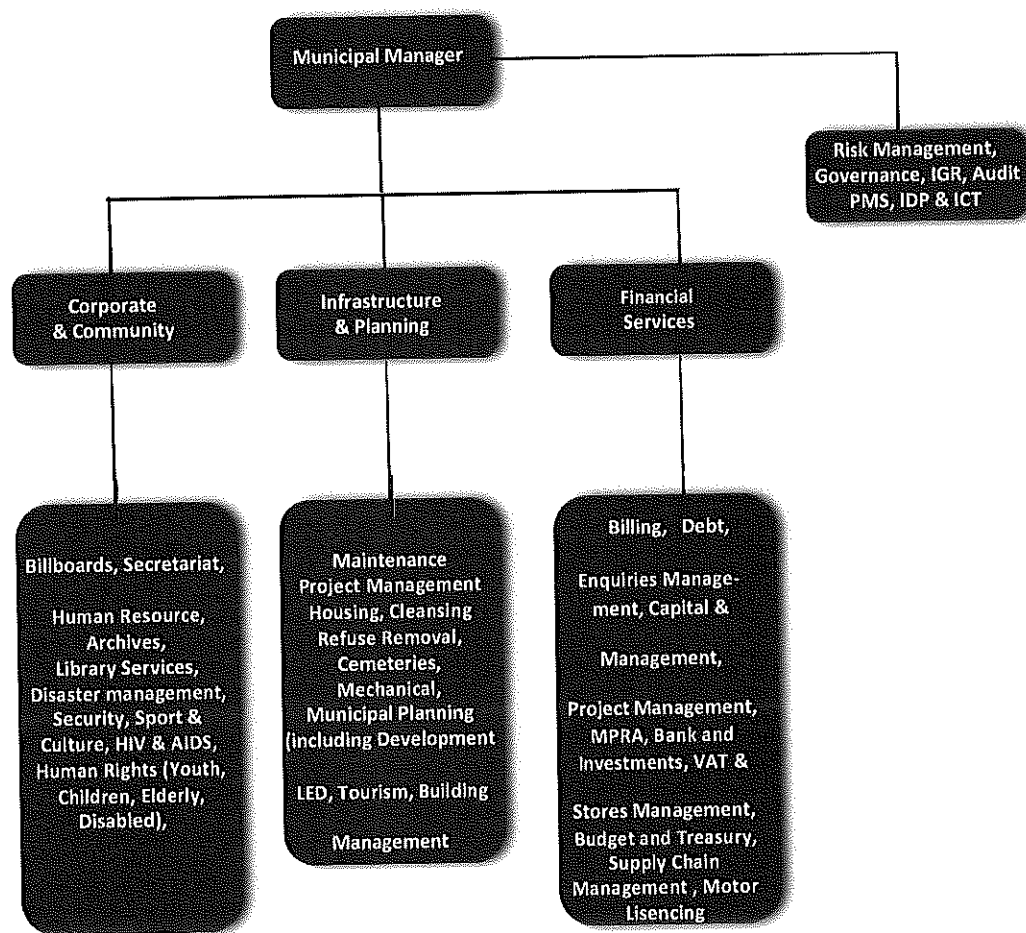
Portfolio Committees	Terms of Reference	Responsible Councillor
Finance	Financials	Councillor SG Ndlela
Corporate and Community Services	Organizational and Community	Councillor RT Memela
Infrastructure and Planning	Service Delivery and Development Planning	Councillor KM Dlamini

2.2. ADMINISTRATIVE GOVERNANCE

a) The Municipal Manager

The administration is headed by the Municipal Manager who is also the Accounting Officer. The Municipal Manager is further responsible and accountable for the formation and development of an economical, effective, efficient and accountable administration as well as the management of the provision service in a sustainable and equitable manner within the municipality. The administration is made up of the following departments headed by Managers reporting directly to the Municipal Manager: Finance, Corporate and Community Services, and Infrastructure and Planning Services.

2.2.1 Organisational structure of ILM



COMPONENT B: INTERGOVERNMENTAL RELATIONS

2.3. INTERGOVERNMENTAL RELATIONS

The Inter-governmental Relations Framework Act, (Act No 13 of 2005), requires all spheres of government to coordinate, communicate, align and integrate service delivery effectively, to ensure access to services. In this regard the Municipality complies with the provisions of the Act.

ILM furthermore participates in the Provincial and District MIG forum. These forums provide a platform for engagement on the approval of projects and for coordination and monitoring of expenditure on former MIG-funded projects.

The District has adopted a Cluster Model wherein different clusters are chaired by the Municipal Managers of the Local Municipalities and the Municipal Manager of the District. Impendle Municipal Manager chaired the IT Cluster.

The Municipality has also entered into shared services with the District on the following functions: Development and Planning Services and Geographic Information System (GIS)

The ILM also participates in the Provincial Housing Coordinating forum where parties look into the Human Settlement Grant funded projects, based on the allocation granted for the province.

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

2.4. PUBLIC MEETINGS

Nature and purpose of the meeting	Date of event	Number of participating municipal councilors	Number of participating municipal administrators	Number of community members attending	Issues addressed (yes/no)	Dates and manner of feedback given to the community
IDP Public Participation	November 2018	7	1	+/- 800	Yes	Monthly Ward Meetings and quarterly community meetings
IDP/Budget Imbizo	22 May 2019	7	4	+/- 50	Yes	November IDP Meetings

2.5. IDP PARTICIPATION AND ALIGNMENT

The 2018-2019 IDP has marked the second (3rd) year of the fourth (4th) Generation of the IDPs. Impendle Municipality IDP process had once again undergone through the exercise of public participation and the community needs and concerns were recorded.

The Municipal Systems Act (as amended) has prompted changes in the way in which the Council plans for the future of the municipality. It also provides greater scope for communities to make their own choices about what the Council does and how things are done.

This legislation requires the Impendle Council to undertake an exercise, at least once in every five years, to identify community development priorities. These development priorities are determined with active participation by affected communities. These priorities form the basis for the long-term integrated development plan.

Impendle Local Council has been consulting with members of the community, local business community and community organisation to determine the priorities of the people of Impendle. Priorities were formulated based on the information gathered on social dynamics, service provision and people's perception of the Municipality's strengths, weaknesses, opportunities, and threats.

IDP participation and alignment criteria	Yes/No
Does municipality have impact, outcome, input and output indicators?	Yes
Does IDP have priorities, objectives, KPIs and development strategies?	Yes
Does the IDP have the multi-year target?	Yes
Are above aligned and can they calculate into a score?	Yes
Does the budget align directly to the KPIs in the strategic plan?	Yes
Do the IDP KPIs align to the section 57?	Yes
Do the IDP KPIs lead to the functional area KPIs as per the SDBIP?	Yes
Do the IDP KPIs align with the provincial KPIs on the 12 outcomes?	Yes
Were the indicators communicated to the public?	Yes
Were the four quarter aligned reports submitted within stipulated timeframes?	Yes

COMPONENT D: CORPORATE GOVERNANCE

2.6. RISK MANAGEMENT

Impendle regards risk management as an important function that contributes to the achievement of the municipality's objective and provides assurance that key risks are identified; assessed and effective controls are put in place. To this end, Impendle has adopted a Risk Management Strategy as a tool to assist the municipality to proac-

tively identify any uncertainties that could prevent it from achieving its objectives or that could impact negatively on the desired level of service delivery. The Risk Management Strategy is supported by the Risk Management Policy, the document that set the stance of the municipality with regards to risk management.

To build capacity around risk management, the Municipality had requested the services of the Personnel from the Provincial Treasury to assist the Municipality to deal with issues of risk management in compliance with the provisions of the MFMA. Senior Management is responsible for all Risk Management activities and this is facilitated by the Internal Audit Activity.

2.7. ANTI-FRAUD AND CORRUPTION

The municipality has developed the Anti-fraud policy to guide the municipality on matters pertaining to fraud the development of the policy document is an illustration that the Municipality does not tolerate fraudulent or corrupt activities whether internal or external to the Municipality. The Municipality had not experienced any fraud and corruption related cases for the past five (5) years.

2.8. SUPPLY CHAIN MANAGEMENT

The ILM has established a Supply Chain Unit in line with the internal Supply Chain Management (SCM) Policy. The division is headed by the Chief Financial Officer.

The calling for tenders to secure suppliers of goods and services is an integral part of SCM, as legislation compels public institutions to procure goods and services through this process. A thorough knowledge of the different phases of the tendering process and the accompanying procedures is therefore necessary to ensure that public officials procure goods and services timely and according to their requirements.

In line with the Municipal Finance Management Act (MFMA), the Accounting Officer has approved the Bid Committees. The Municipality ensures that the tender process is fair, transparent, equitable and cost effective.

Overview of Supply Chain Management (SCM)

The supply chain management policy for the year 2018/2019 was reviewed and adopted by Council in May 2018 and implemented immediately thereafter.

The SCM unit staff component has four employees, Accountant and two SCM Practitioners and one intern. Items of the MFMA SCM regulations the SCM policy of the municipality must provide for a system of demand, acquisition, logistics, disposal, risk and performance management, and our policy does provide for it. The following is a brief over-view of the processes that have been established and implemented within our SCM system:

Demand Management

The procurement Plan defines the Supply Chain Management needs of the organization, aligned to the municipality's IDP and Departmental SDBIP. The plan is for a minimum of one year but aligned to the IDP three year period, this is especially critical in the case of capital projects requiring the issuing of bids for multiyear projects. As well as in order to obtain cost savings through longer term goods and service contracts (limited to three- year period in terms of the MFMA). The main objective of the plan is to assist the service deliver business units to achieve their service delivery mandates and to meet their service delivery requirements without any SCM processes delays and this forms the integral component of the entire process to ensure effectiveness efficient and economical SCM processes.

Disposal Management

The municipality assessed and identified assets that need to be disposed off. The municipal council approved the disposal of some assets during 2018/2019, of which due to poor response of the bidders, disposal could not be proceed-ed and the task will be undertaken in the next Financial Year.

RISK MANAGEMENT

The monitoring of vendors' function was performed at business unit level but is now understand by Supply Chain

Unit in conjunction with the business unit. Also measures are now being put in place to ensure identification, consideration and avoidance of potential risks in the supply chain management system in accordance with regulation 41 of the SCM regulations. Four monitoring officers have been employed and projects are being monitored. The quarterly reports on performance assessments of contractors were submitted to Council for 2018/19 financial year.

STATUS OF POLICIES

The municipality has implemented all Supply chain policies, together with all the policies in the Budget and Treasury office the policies go to the council for review and adoption.

	Question	Answer	Comment on progress	Date of completion	Official (s) responsible
1.	Has the council adopted a SCM policy in terms of SCM regulation 3?	yes	N/A	2018/2019	CFO
2.	How many staff are employed by the SCM unit?	3	N/A	2018/2019	CFO
2.1	• How many positions are unfilled, ie waiting for an appointment?	1	N/A	2018/19	CFO
2.2	• Has a job description been developed for each position within the SCM Unit	Yes	N/A	2018/2019	CFO
3	Has a detailed implementation plan for SCM been developed?	Yes	N/A	2018/2019	CFO
3.1	• If yes is progress regulatory measured against the implementation plan	Yes	N/A	2018/2019	CFO
4	Is a report on the implementation of the SCM policy provided to the mayor within 10 days of each quarter (ref 6(3))	Yes	Submitted monthly to the Council	2018/2019	CFO

2.9. BY-LAWS

There were no new By-Laws adopted in the 2018/19 financial year. SPLUMA by-laws that were introduced during the 2015-16 year are successfully implemented. All legal requirements and processes were followed in the promulgation of these municipal by-laws.

Copies of these By-laws are available and they have been posted to the municipality's (website).

Members of the public are urged to observe these by-laws and to report promptly any act that seeks to undermine them.

2.10. WEBSITES

Municipal website: The municipality tries by all means to make its website user-friendly and to improve the quality of its content. Members of the public are encouraged to visit the website and to give feedback regarding their experience while using the website and social media add-ins. Reported problems regarding accessing to our website are currently being addressed. The revamping of the website is currently underway and we are planning to deliver an improved, intuitive and easily accessible website at the end of this process. The municipality has realized that through IGR structures and initiatives a website committee should be established headed by the communications officer working closely with GCIS, IDP and ICT, this will also improve e- Government services. As the penetration of smart devices reaches critical mass in the rural areas and mobile network infrastructures improves through the rollout of broadband members of the public will greatly benefit.

Documents published on the municipality's website	Yes / no	Publishing date
Current annual and adjustments budgets and all budget related documents	Yes	
All current related policies	Yes	
The previous annual report (year 2017/18)	Yes	January 2019
The annual report (2018/19) published/ to be published	Yes	January 2020
All current performance agreements required in terms of section 57(1)(b) of the municipal systems (18/19) and resulting scorecards	Yes	July 2018
All service delivery agreements (18/19)	Yes	July 2018
All long term borrowing contracts (18/19)	Yes	
All supply chain management contracts above a prescribed value (give value) for 18/19	Yes	
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during 2018/19	Yes	
Public-private partnership agreements referred in section 120 made in 18/19	N/A	
All quarterly reports tabled in the council in terms of section 52 (d) during 18/19	Yes	Quarterly

CHAPTER 3 SERVICE DELIVERY

PERFORMANCE

(PERFORMANCE REPORT PART I)

COMPONENT A: BASIC SERVICES

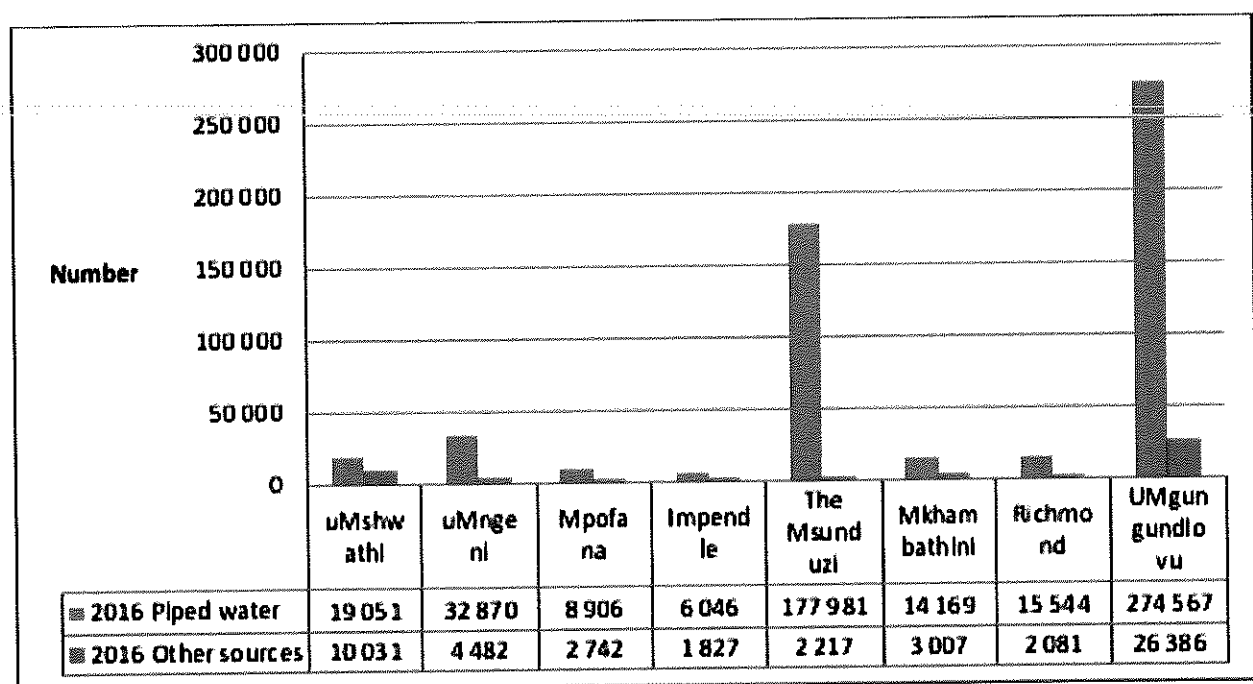
3.1 WATER PROVISION

Water and Sanitation provision is the Umgungundlovu District Municipal (UMDM) function. The Municipality has provided UMDM office space at Thusong Centre where Impendle citizens are able to access the services of the Water office of the District Municipality. The UMDM is currently running four Water Scheme in the Municipality i.e. Inguga Water Scheme, Makhuzeni Water Scheme, Mahlutshini Water Scheme and Novuka Water Scheme and one Waste Water Treatment Plant to service Impendle Village with a view to cover the surrounding areas in future.

ward	Piped (tap) water inside dwelling	Piped (tap) water inside yard	Piped (tap) water on community stand: distance less than 200m from dwelling	Piped (tap) water on community stand: distance between 200m and 500m from dwelling	Piped (tap) water on community stand: distance between 500m and 1000m (1km) from dwelling / institution	Piped (tap) water on community stand: distance greater than 1000m (1km) from dwelling / institution	No access to piped (tap) water	Total
Ward 1	248	475	330	247	34	14	851	2208
Ward 2	344	913	507	340	38	3	130	2274
Ward 3	467	933	152	43	68	28	133	1821
Ward 4	245	773	705	68	21	18	70	1899
Total	1313	3094	1693	698	158	63	1184	8203

Source: Stats SA, 2011 Census

Graph Showing: Households with Access to Main Source of Water for Drinking, 2016

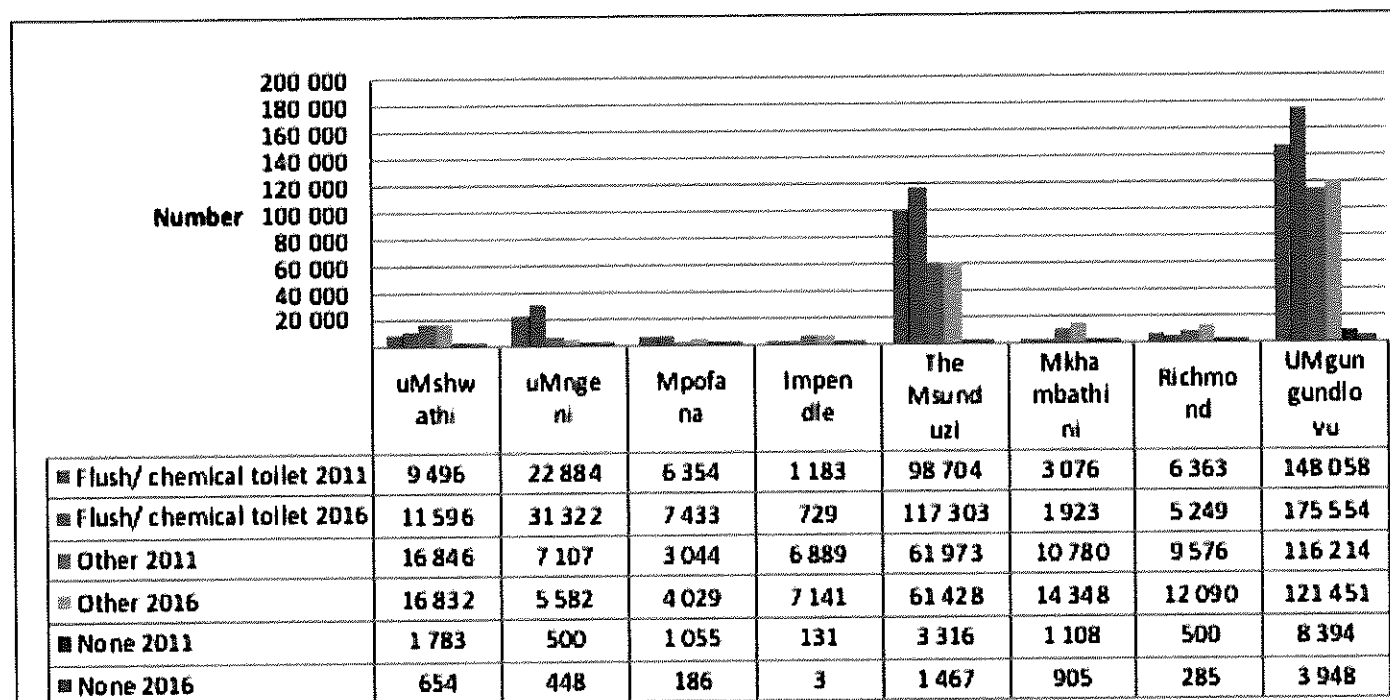


Source: Stats SA, 2016 CS

3.2 WASTE WATER (SANITATION) PROVISION

Waste Water Treatment Plant to service Impendle Village with a view to cover the surrounding areas in future. The Plant will be constructed at Village at Impendle Town where the Municipalities and the Community identified and agreed that it will be a suitable site for the Plant.

Access To Improve Water and Sanitation



Source: Stats SA, 2011 Census and 2016 CS

3.3 ELECTRICITY

The Municipality was not allocated funding to implement Electrification projects for the 2018/19 financial year.

Household energy or fuel for lighting

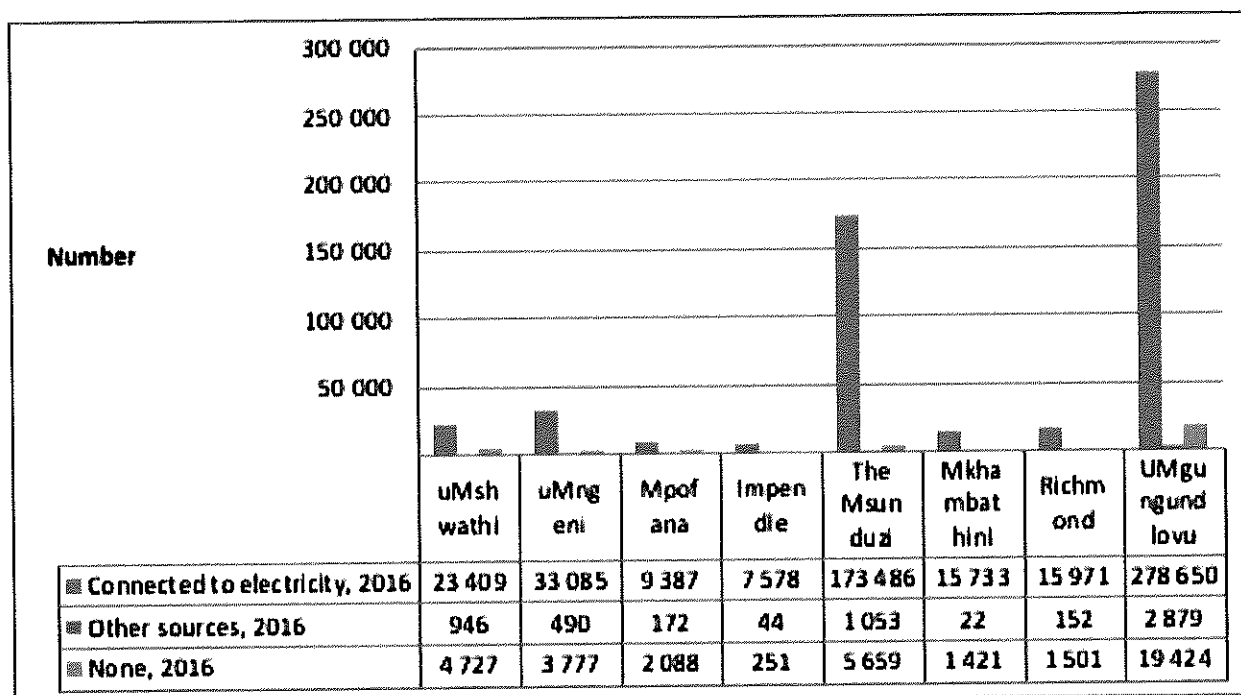
Ward:	None	Electricity	Gas	Paraffin	Candles	Solar	Total
Ward 1	12	1378	10	12	785	11	2208
Ward 2	15	2005	6	10	234	4	2274
Ward 3	3	1727	1	2	83	5	1821
Ward 4	4	1744	4	5	133	9	1899
Total	34	6854	21	29	1235	30	8203

Source: Stats SA, 2011 Census

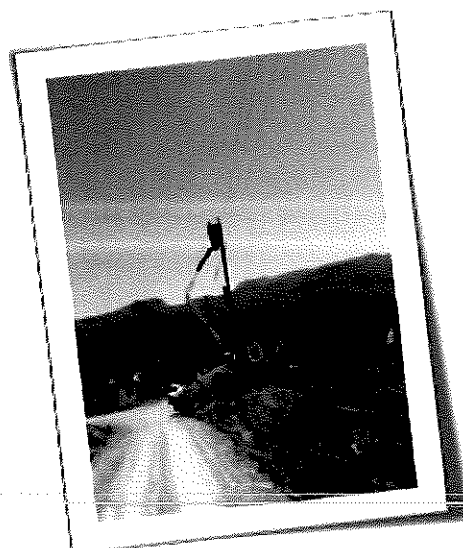
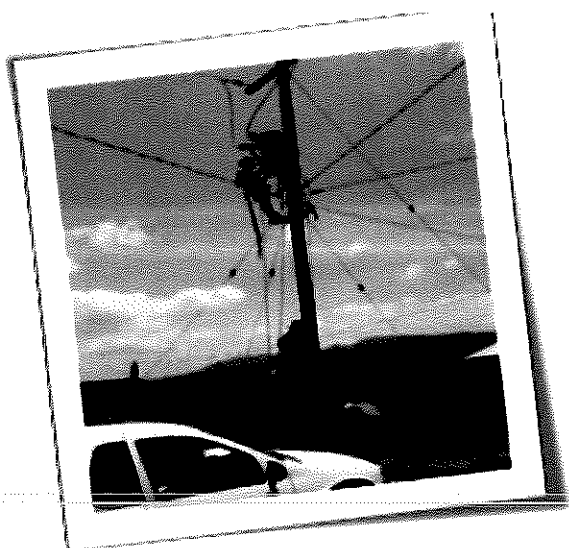
Household energy or fuel for cooking

Ward:	electricity	Gas	Paraffin	wood	Coal	Animal dung	Solar	None	total
Ward 1	722	113	32	1325	4	2	6	4	2208
Ward 2	944	36	42	1236	3	4	3	6	2274
Ward 3	887	34	19	864	3	-	2	12	1821
Ward 4	1307	62	54	465	5	3	4	-	1899
Total	3860	244	148	3890	14	14	15	22	8203

Graph Showing: Households Connected to Electricity



Source: Stats SA, 2016 Census



3.4. WASTE MANAGEMENT

Departmental Funded Operation and Maintenance

Service	Area
Refuse Collection	Impendle Village/ Boston
Verge Cleaning	Impendle Village
Street sweeping	Impendle Village
Plumbing	Thusong Centre/ Taxi Rank/ Kwagasa / Technical offices
Grass cutting	Impendle Village/ Municipality Offices/ Community Halls/ Creches/ Sport fields/ Village Cemeteries

REFUSE REMOVAL

Ward:	Removed by local authority/private company at least once a week	Removed by local authority/private company less often	Communal refuse dump	Own refuse dump	No rubbish disposal	Other	total
Ward 1	44	84	18	1906	123	32	2206
Ward 2	18	14	55	1768	339	80	2274
Ward 3	125	11	2	1604	76	3	1821
Ward 4	60	36	31	1585	160	28	1899
Total	247	145	107	6862	698	144	8203

Source: Stats SA, 2011 Census

3.5 HOUSING / HUMAN SETTLEMENTS

Human Settlement Projects Under Impendle Municipality
Supported By: KwaZulu-Natal Department of Human
Settlements Projects Status Report: 01 July 2018/30 June 2019

PURPOSE

- To provide a brief overview of the current status of all projects at the ILM
- To highlight challenges, support experienced in various projects within Impendle

BACKGROUND

- We are 100% dependant on the Human Settlement funding and support to accelerate housing delivery.
- It is so advantageous to us to be one of the rural areas which gain the benefit of government priorities to prioritize rural development.

IMPLEMENTATION

- An amount of **R 192 819 121.00** is allocated to ILM for **2017 – 2020** budget schedule.
- This total budget include an extra **R 29 470 500.00** added in 2018/19 for Electricity and Aprons implementation in houses, viz: R9 823 500.00 added per milestone.
- The houses were approved in 2015 without additions of electricity and aprons as an enhancement.
- Currently, we have a total of 09 projects within our municipality.
- Three Phase 2 Projects are in construction as of 2017/18 - 2020 budget (Wd 4, Wd 3, Wd 2)
- Two projects at planning phase (Village, Clearence Makhuzeni).
- One at feasibility study phase Ward 1 Phase 2.
- Three projects at a closeout stage with challenges are: (Wd 3, Wd 4 Phase 1 & Compensation)
- Compensation project is an old and first housing project implemented at Impendle in 1997 and it was not completed due to some challenges including poor workmanship and only 406 houses were completed leaving 43 units outstanding. The municipality has pleaded to the department to complete these units and close out the project, so that future housing projects can be phased within this place and surroundings. The Provincial department of Human Settlements has committed to subsidize this project in the 2019/20 financial year to complete the outstanding units.
- All Phase 2 Housing Projects have started construction in April 2017 for 36 months as amended.

2018/19 PROJECTS STATUS

1.	PROJECT NAME	:	Impendle Ward 2 Rural Housing Phase 2
	IMPLEMENTING AGENT	:	Motheo Construction
	NO. OF BENEFICIARIES	:	500
	PROJECT VALUE	:	R 61 565 325.00
	MONIES SPENT TO DATE	:	R 57 392 769.00
	START DATE	:	01 April 2017
	END DATE	:	31 December 2019 (as amended)
	APPROVED BENEFICIARIES	:	500
	HOUSES BUILT TO DATE	:	466

Notes:

There is also a land issue at Imbaliyezwe which appeared to be a state land and the matter is attended

- | | | | |
|----|-------------------------|---|---------------------------------------|
| 2. | PROJECT NAME | : | Impendle ward 3 Rural Housing Phase 2 |
| | IMPLEMENTING AGENT | : | UmpHEME Developments |
| | NO. OF BENEFICIARIES | : | 500 |
| | PROJECT VALUE | : | R 61 102 275.00 |
| | MONIES SPENT TO DATE | : | R 59 474 321.85 |
| | CONSTRUCTION START DATE | : | 01 April 2017 |
| | END DATE | : | 31 December 2019 (as amended) |
| | APPROVED BENEFICIARIES | : | 500 |
| | HOUSES BUILT TO DATE | : | 487 |
-
- | | | | |
|----|--------------------------|---|---------------------------------------|
| 3. | PROJECT NAME | : | Impendle Ward 4 Rural Housing Phase 2 |
| | IMPLEMENTING AGENT | : | Shaytai Trading 21cc /Isibanisezwe |
| | NO. OF BENEFICIARIES | : | 500 |
| | PROJECT VALUE | : | R 60 795 470.00 |
| | MONIES SPENT TO DATE | : | R 40 176 891.54 |
| | START DATE | : | 01 April 2017 |
| | END DATE | : | 31 December 2018 |
| | APPROVED BENEFICIARIES | : | 500 |
| | HOUSES COMPLETED TO DATE | : | 311 |

4. CLARENCE MAKHUZENI PROJECT

- This project is almost complete with the planning stages.
- The Department of Rural Development and Land Reform has issued the amended conditions (Addendum) to the signed Development Rights Agreement (DRA) with the municipality to use and develop the land.
- The Department of Human Settlements in KZN has also issued the amended conditions (Addendum) to the signed the Development Rights Agreement with the municipality to use and development the land.
- The project was initialed earmarked for 200 people but later there are 240 people, the other 40 people might benefit due to availability of funds.
- The municipality has requested the inclusion of these people in the project.
- The Inkonjane has to formalize the planning / project pack and then submit the Planning Development Application (PDA) files to the Council and then to the community for public comments, once this process finalized then the application of construction funding will be made.
- If everything goes well as planned then, the project is earmarked to feature in 2019 -20/21 financial year for construction.
- The town planning and surveying of this project has been done.
- The Implementing Agent has also raised a concern about the surveying and registration of non-housing sites within the designated project area, like commercial sites and other amenities in terms of funding as it is not allocated for. The municipality has engaged the department for further assistance to this matter.

Notes:

- We appreciate the support and patience from this community at large.

5. WARD 1 PHASE 2 HOUSING PROJECT

- The IA is Linda Masinga & Associates.
- The IA is currently unpacking the land issues as the land is vested with different land owners:
- Private properties
- State land and
- Small portion that belong to ITB.
- The project is on hold (not feasible)

Notes:

We are undertaking private negotiations with land owners because without land we cannot proceed.

SUKUMA SAKHE RECOVERIES

- The department and the municipality are working hard to facilitate this programme for needy people.

Through its strategic focus areas as encapsulated in the IDP Impendle seeks to enhance service delivery with efficient institutional arrangements; reduce housing backlog and promote sustainable human settlements and promote service excellence. While the competency of providing houses resides with the provincial government, Impendle has worked hard to facilitate the provision of housing to its residents.

AFFORDABLE HOUSING

Overview

- Continuous management, coordination and facilitation of all Municipality's Housing development projects within Impendle Municipality.
- Oversight of construction of houses for the approved beneficiaries.
- Ensure the provision of services to individual homes especially in areas that have benefited through Affordable Housing Projects, funded by the Department of Human Settlements (DOHS) and homes transferred to certain people through the Government Rural Insitu Upgrade Scheme.

Description of the activity

The municipality has a mandate to lead and direct the housing function so that the strategic objectives of the municipality in relation to housing are achieved. The main objectives are as follows:

- The establishment of an inclusive, representative and accountable development structures within communities.
- Identification of other primary actors with whom the community should relate for the purposes of successful development.
- Certification of potential housing beneficiaries.
- Signing of building agreements by stakeholders.
- Capacitating and empowering locally based contractors to participate in the construction.
- Ensure employment of unskilled and local people benefit in the project
- Analysis of the function

The Strategic Objectives of this function are to:

- Reduce the population living in informal structures
- To ensure access to formal housing opportunities.

"Umuntu umuntu ngekhaya"

3.6. FREE BASIC ELECTRICITY

The Municipality provided free basic electricity to about 3060 households who are receiving indigent support from Impendle municipality. Due to Impendle municipality not licenced to supply electricity, the service is provided by Eskom.

COMPONENT B: ROAD TRANSPORT

3.7. ROADS

Introduction

Impendle is responsible for a major of rural access roads that are not maintained by KZN Department of Transport. Many of these roads are in very bad condition and become impassable during the rainy season. Through many years of use without maintenance or hardening, many have developed in deep dongs where storm water continuously deepens them.

Departmental Funded Maintenance

Repairs of roads within Impendle Village continues to be done despite budget constraints and insufficient funding. Construction equipment purchased for the Roads maintenance was put into operation in the rural areas of Impendle however due to limited resources no maintenance has been carried out in the financial year of 2018/2019. The Municipality Grader which was regarded as the main core of road maintenance has been out of use as it needs major repairs. The Municipality is working tirelessly to secure funding to purchase new equipment as cost of repairing current plant is beyond its book value. The municipality have taken a decision to sell the grader and grid roller purchased a more reliable grader which will work effectively and efficiently to improving service delivery.

The Municipality is working tirelessly to improve progress without compromising quality on all current road projects. The Municipality has continuous engagements to introduce a recovery plan to escalate service delivery by engaging the KZN Department of Transport and uMgungundlovu District in order to assist with re-gravelling of road. Roads which are considered first priority to the community were identified which consist mainly of roads used by public transport supporting majority of houses. The Department of Transport have been instrumental in ensuring that the Municipality continues to deliver its services to the community as it assisted by Grading 8km of roads.

The challenges faced by the Municipality:

1. Huge backlog
2. Budget constraints
3. Ageing plant
4. Inadequate resources

Despite the challenges the municipality continues to work around the clock to provide services. The MiG funding continues to play a vital role in assisting the municipality with executing basic service delivery through infrastructure projects. Roads maintenance and construction has become a first priority for majority of Impendle residents as it provides easy access to their homes, allows public transport to operate within walking distances to peoples home, allow government departments to have easy access to communities in need.



Departments of Transport Gravel Roads

ROADNUM	DC	KZ	ROADNUM	DC	KZ
L1085	DC22	KZ224	L2529	DC22	KZ224
L1130	DC22	KZ224	L2535	DC22	KZ224
L1411	DC22	KZ224	L2537	DC22	KZ224
L143	DC22	KZ224	L2572	DC22	KZ224
L1648	DC22	KZ224	L2699	DC22	KZ224
L1654	DC22	KZ224	L2700	DC22	KZ224
L1655	DC22	KZ224	L2806	DC22/DC43	KZ224/431
L1656	DC22	KZ224	L2903	DC22	KZ224
L1754	DC22	KZ224	L3001	DC22	KZ224
L1755	DC22	KZ224	L3027	DC22	KZ224
L1756	DC22	KZ224	L3031	DC22	KZ224
L1895	DC22	KZ224	L3033	DC22	KZ224
L1896	DC22	KZ224	L3034	DC22	KZ224

MIG and COGTA Funded Road Projects

A road and infrastructure plan was put in place to commit a portion of MIG funding into the 2018/2019 financial year. The following roads were successfully implemented and completed

ROAD TYPE AND KILOMETRES

Year	Total roads (km)	Tar roads Maintained (km)	Gravel roads graded or maintained (km)
2018/19	8.2	0	8.2

PROJECT COST 2018/19 (MIG ROADS)

PROJECT NAME	WARD	KM	CONTRACTOR	DIRECT COST	INDIRECT COST
Press Road	4				
Forever Road	4				
Panikukhu Road	2				
Mapanekeni Road	1				

*Indirect Cost = Engineers fees **Direct Cost = Contractor

CERTIFICATE OF EXPENDITURE AND REVENUE

2018/19 Version June

MUNICIPALITY:		Impendle Local Municipality			
Financial Year		Allocation	Adjustments	Approved Rollover	TOTAL Allocation
2018/19		R 11 845 000.00	R 0.00	R 0.00	R 11 845 000.00
Outstanding Proof of Payments: R 0.00					
			A1	B1	A1-B1
DATE	BUDGETARY ESTIMATE	ADVANCES REQUESTED	AMOUNT RECEIVED	CERTIFIED EXPENDITURE	BALANCE
Unspent	0.00	0.00	0.00	0.00	0.00
July-17	2 000 000.00	2 000 000.00	2 000 000.00	122 921.78	1 877 078.22
August-17	0.00	0.00	0.00	2 392 463.09	-515 384.87
September-17	0.00	0.00	0.00	0.00	-515 384.87
October-17	0.00	0.00	0.00	0.00	-515 384.87
November-17	0.00	0.00	1 500 000.00	177 870.53	806 744.60
December-17	5 000 000.00	5 000 000.00	3 500 000.00	541 261.21	3 765 483.39
January-18	0.00	0.00	0.00	679 315.06	3 086 168.33
February-18	0.00	0.00	0.00	657 188.76	2 428 979.57
March-18	4 845 000.00	4 845 000.00	4 845 000.00	1 099 270.75	6 174 708.82
April-18	0.00	0.00	0.00	2 320 979.63	3 853 729.19
May-18	0.00	0.00	0.00	2 142 019.38	1 711 709.81
June-18	0.00	0.00	0.00	1 711 709.81	0.00
SUB-TOTAL	11 845 000.00	11 845 000.00	11 845 000.00	11 845 000.00	0.00
Expenditure vs Actual transfers 100%			Expenditure vs Total Allocation 100%		

PLANNED PROJECTS 2019/20

PROJECT NAME	WARD	KILOMETRE	STATUS
Fikesuthi Hall	3	NA	PLANNED
Buthelezi Road	4	1.2	PLANNED
Makhalathini Road	1	1.2	PLANNED
Sawongo/Soweto Road	2	1.2	PLANNED

COMPONENT C: PLANNING AND DEVELOPMENT

3.8 PLANNING

The Planning Component in the Department of Infrastructure and Planning Services is responsible for Spatial and Statutory Planning, IDP and Performance Management. In the Spatial Planning component the Municipality started the process of considering the recommendations of the MEC for Local Government on the Municipal Spatial Development Framework (SDF) by working with the shared Services and COGTA to review the SDF and Seek Funding for the Development of the new one taking into consideration that the current is outdated.

The Municipality also attempted to finalize the Land Use Scheme for the Town, however Due to the need to amend the town layout, the adoption of the scheme is delayed.

The land invasion issues are still a challenge due to historical and other interferences. The land invasion of the Village is still pending at the level of the legal proceedings. The target for the next financial year is finalize all the necessary and pending land issues within the municipality.

In terms of Statutory planning, the Municipality is receiving a very minimum number of development applications. However, there are a number building plans that were approved during the year under review.

ACHIEVEMENTS

-Subdivision of the Shopping Centre Site

CHALLENGES

- Planning Component is understaffed.
- Funding for other activities such as survey, SDF and LUSs.
- Lack of access to land for emerging farmers also remains a major challenge facing emerging farmers operating in Impendle.
- This is exacerbated further by lack of relevant skills among emerging farmers. This has serious implications for any proposed agricultural production and value adding enterprise targeting emerging farmers in the Municipality.
- It is of some considerable concern to the Municipality that the practise of burning fields without control across the Municipality on private and Ingonyama properties continues year after year. This has damaged the environment considerably and has depleted grazing fields for the communities of Impendle.

3.9. LOCAL ECONOMIC DEVELOPMENT (including TOURISM)

The purpose of economic development and growth is to build up the economic capacity and viability of Impendle Municipality as well improvement to its economic future and the quality of life for all its citizens. In order to achieve the aforesaid, the Economic Development and Growth Unit is entrusted with the implementation of the following programmes:

INVESTMENT & MARKETING

About 25 000 square meters was identified for light to medium industrial development. The area was surveyed and serviced in terms of availing bulk water and electrical power supply. Notice will be issued calling for investors to establish in this area having bias on commercial activities which seem to lack in this part of the district. The following are some of anticipated services

- Shopping Centre
- Motor Mechanics and Spare shop
- Agri-Processing Plants
- Storage Facilities etc

SMME & COOPERATIVE DEVELOPMENT

During the reporting period, the following was achieved

10 Cooperatives were trained in the business management field on NQF Level 04. The training run for 6 months with accreditation from Agri-SETA. Exit level was on competence certificate. Whereas department of agriculture supported agri-cooperatives through planting and mechanization in almost 130 hectares of land.

SMMES

About R 40, 000 in rand value was spent on implements and equipment support to SMMEs.

A further 60 square meter of building renovations was conducted at an estimated R 50,000 value to accommodate cooperatives operating in bakery and confectionary business.

INFORMAL TRADER SUPPORT

The informal trader association was resuscitated following resignations and relocation of committee members.

Work-ing with association 16 informal traders were identified to benefit from informal trader programme supported by Department of Small Business Support.

The programme took the following shape;

20 traders identified → went for financial literacy training →were asked to indicate their needs i.e equipment & tools → sourced quotations →DSBS to procure goods & services on their behalf. Agricultural Development

The municipality is participating in the AGRI-PARKS National Programme. A steering committee is in place to drive programme roll out. Site is identified where farmer production support unit is going to be hosted. A short-term business plan articulating needs surrounding commodities, land based support and mechanization requirement was compiled and submitted to the district Dappot structure.

KEY ACHIEVEMENTS

- Successfully added value to cooperatives by providing business management skills
- Provided much needed kick-start support to SMME by providing financial support through renovations to business premises, purchase of equipment and tools
- Facilitated SMME engagements with funding institutions

- Facilitated training to informal traders
- Conducted workshops for traders in liquor outlets

CHALLENGES

- Absence of key investment and promotion policies and strategies
- Threats of land invasion
- Funding constraints for unit operations
- Unavailability of business licenses and permit system

Purpose of the EPWP

The Expanded Public Works Programme (EPWP) is one element within a broader government strategy to reduce poverty through the alleviation and reduction of unemployment. The Programme involves creating work opportunities for unemployed persons, and so allowing them to participate economically and contribute to the development of their communities and the country as a whole.

Phase II of EPWP aims to

Significantly expand the creation of temporary work opportunities that will provide income to the poor and unemployed. Increase the duration of work opportunities for maximum impact.

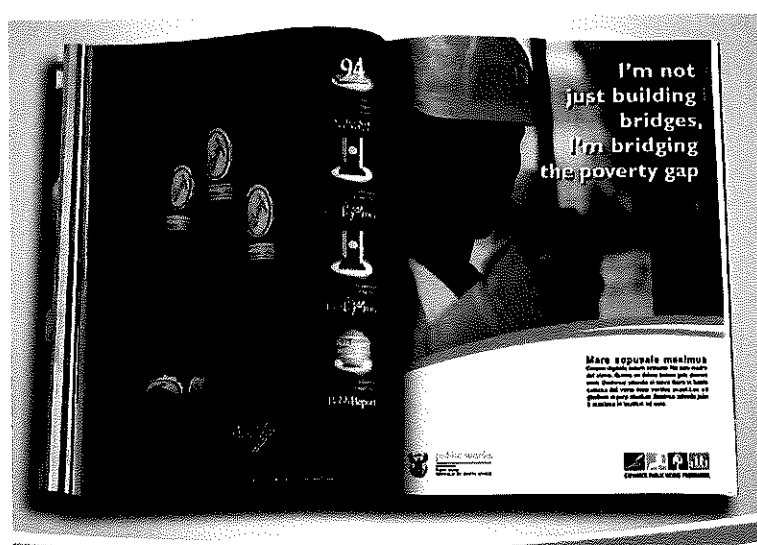
Impendle Local Municipality

The Expanded Public Works Programme (EPWP) is one element within a broader government strategy to reduce poverty through the alleviation and reduction of unemployment. The Programme involves creating work opportunities for unemployed persons, and so allowing them to participate economically and contribute to the development of their communities and the country as a whole.

The Municipality received an incentive grant of R1 160 000 from the Department of Public Works to assist the Municipality in implementing the Expanded Public Works Programme for the financial year 2018/19. EPWP in-house team was established to assist Departments or units in carrying out their day to day activities under the following sectors: Environment, Infrastructure and social sector.

Expanded Public Work Programme

Details	EPWP: projects type	Job created through EPWP projects. No.	Expenditure (Wages, PPE's')
2018/2019	Social Sector	40	R R1 160 000



Currently the Municipality is having Expanded Public Works Programme (EPWP) and Community Works Programme (CWP). These projects are job creation. Currently there are three hundred and ten local people employed on these projects.

The leadership and administration of Impendle Municipality had engaged communities in the IDP Public Participation process to put an ear on the ground in order to listen to the voice of its community. This process had strengthen the relationship between the two parties resulting in a common understanding as how best the Municipality can provide services to the community.

The following pages provide additional information and photographs of some of the projects in question. The following projects were agreed upon through these engagements:

CWP LIST OF BENEFICIARIES

District	Site	Ward	Participants Allocation	Actual participants currently working
UMgungundlovu	IMPENDLE	1	250	214
		2	250	297
		3	250	264
		4	250	228
	Total	4	1000	1003



TOURISM 2018/2019

MAN AND MACHINE TOURISM EVENT JULY 2018

The Man & Machine Off Road Motorbike event is a privately owned and run event held annually in KZN. This year, Boston, KZN, was the host area. The event took place at The Boston and was run over 2 days. The event drew over 400 riders who entered the event with approximately 100 supporters. The event was a huge success and generated sizeable income and exposure for the Boston/Impendle area.

Exposure:

Riders came from all over South Africa – Cape Town, Durban, PMB and Johannesburg with a few overseas riders from the United Kingdom. Local riders from Howick, Underberg and Nottingham Road also entered the event.

Accommodation:

The following accommodation establishments benefitted hugely from this event and had 100% occupancy over the 3 nights (27th, 28th and 29th July):

Everglades Hotels
Boschberg Cottages
Mount Park

Elvesida Guest Farm
La Lapa
Boston T Party
Stormy Hills
Impendle B&B

Overflow guests were accommodated in Howick and Bulwer.

Local Businesses:

The following local businesses benefited from the event:

The Boston Garage
The Boston Cash Store
Mpolo Trading Pty Ltd Catering Company, Impendle

Although the following business perhaps did not enjoy huge business turnover, they gained much exposure:

Elephant Leather Works, Impendle
Impendle Crafters (Inqanawe Furniture & Zamani Craft Club)

Charity Donation:

Zamokuhle School, Boston, ablution toilet were fixed.

A large donation of clothing and toys was also made directly to the school.

A further donation of clothing was given to the NGO situated in Impendle to distribute to those in need.

In summary:

As one can see, the exposure and financial benefits that were gained by businesses in the Boston/Impendle area by holding an event of this size and nature, were huge. The involvement of the local municipality added to the all-inclusiveness of the event.

SEPTEMBER TOURISM MONTH EVENT- IMPENDLE MOUNTAIN HIKE

Hike to Impendle took place on the 30 September 2018, starting point was KwaKhetha. It was a huge success the response from outside tourist was very good. Total number of people who hiked was about 60- 70. It was one of the initiatives of showcasing the tourism attractions that the area has to offer and indeed the purpose was served. Tourist response was very positive and want to come more often.

IMPENDLE COMMUNITY TOURISM ORGANISATION WEBSITE

The Boston Impendle Dargle Tourism website and Facebook page is up and running successfully. The aim of the website establishment is to promote the area and businesses in one platform, this website markets all tourism establishment in the area from the B&B's, homestays crafters and other business that are linked to the sector and have positive impact in the economy of the area. The website is www.bidtourism.co.za

ROAD SIGNAGE

Road signage that is promoting the area as a tourism destination is up and in all critical points, busy roads to divert traffic to area to create more buzz and in return that will economic activities in the area. There is road signage that shows that the area you are driving to is a destination within Impendle Boston Dargle tourism association, and wherever a tourists or traveler sees that signage is quickly says this area is safe and tourism is very active. There is also signage from all the exit entrance place of the area with all tourism establishment within Impendle and Boston with Kilometres and information of the establishment

All these achievements are successful because of the strong partnership between Public and Private Sector and understanding what needs to be achieved in terms of uplifting the economy of the area,

The CTO is a very functional private structure that is supported by Municipality in order to assist by marketing the area as tourism destination and making sure that the tourism sector abides to government legislation. This structure has done the Report back to the council on the first quarter of this financial year to report back on the success and progress report of the structure.

FINANCIAL IMPLICATIONS

Municipality supports the Community Tourism Organization by funding the structure in order to implement all these initiatives.

HOMESTAYS

Department of Economic Development, Tourism and Environmental Affairs played a very big role in the huge success of the study trip to Limpopo. The Homestay owners gained knowledge that is will be life changing in growing and positioning their businesses in a right path. Firstly, what was more exiting to the owners, its going to the airport and taking a flight for the first time, experiencing what it feel like to be a tourist and that will forever be cherished. Checking in the hotel and how the reception is conducted, in terms of welcoming your guest and explaining everything about you establishment was very eye opening to the owners.

The Makushu, Thohoyandou and Makhado were the core experience that the homestay related better with, as these homestays offer a similar product with Impendle Homestay owners. The tour package the Makushu homestays had prepared was authentic which cultural experience was, and it was very interesting because of the different cultural background. The tour to Makushu taught them a good tourism lesson on how to work as community to combine all activities in the community and that value chain has long term benefit especially in rural communities. The importance of involving all stakeholders in the community and getting their buy is very crucial if you need to have a successful and strong foundation in community-based tourism activities. Everyone must benefit from tourism activities, local tour guides, Local Spaza Shops, Traditional Healers, Traditional Dancers, that is a big lesson that was gained by the homestay owners. They will implement all business lessons learned from the Makushu and Makhado Tour in their local communities and in their businesses

FINANCIAL IMPLICATIONS

Accommodation and travelling cost from Durban to Limpopo Province were covered by the Department. The Municipality assisted with lunch costs and transporting Owners from Impendle to Durban. The Impendle Homestay Owners and local municipality appreciated and very grateful to the continued support the Department of Economic Development Tourism, Environmental Affairs to the Homestay accommodation owners. Hoping this will not be end of it, Mentoring and Guidance to the owners will continue until progress and growth is gained. The department officials that were part of the trip were professional and painted a good image to homestays accommodation owners of what is a government employee and how they should conduct themselves.

MOUNT PARK DUTCH CHOIR FESTIVAL

The concert took place in Mount Park Guest farm Dargle, July 15, organized by Geoff from Backpackers, supported by different tourism stakeholders including Impendle Municipal Tourism Office. The concert is part of an ongoing effort to attract international tourists to the area, to develop and promote tourism sustainability. Geoff politely

The concert went successfully, people from Impendle, Dargle and surrounds were gathered at Mount Park to witness the phenomenal performance from the award winning De Koor Close Harmony. The Impendle Gospel Choir was excited to meet and perform with De Koor Close Harmony from Netherlands, and De Koor Close was so please to meet Impendle Choir., as they share same passion in music. The show started around 13:00 pm, Impendle Gospel Choir opened the stage and the De Koor Close Harmony followed performing through the afternoon. Later that afternoon both choirs had awesome singing session together teaching each other how to sing one's songs. People from Netherlands proved the noise they hear about African, that Africa's are the most welcoming to tourists. Audience was also blown away by both choir performance.

The Netherlands tourists looked excited to be in the area and interact with local people, they promised when they get back from their country they will tell other people about the wonderful experience they had in South Africa. It was an eye opener for local tourism service providers that if events like this nature be created again, it will have great positive impact on tourism development of the area by attracting tourists to come and visit. The more exposure we have, and the increase of tourists coming in, the more jobs created, and local tourism small businesses grow.

PICTURES OF TOILETS RENOVATIONS DONE BY MAN AND MACHINE EVENT FOR LOCAL SCHOOL IN BOSTON



COMPONENT D: COMMUNITY & SOCIAL SERVICES

3.10. LIBRARIES 2018/19

Mission Statement

Impendle, Inzinga, Stoffelton libraries seeks to promote open exchange for ideas through free access to information and to provide both educational and recreational resources to meet the demand of its community.

Library Objectives

- To extend library services to Nzinga, Stoffelton and surrounding areas.
- Impendle library as the main library, giving support to Inzinga Municipal library by attending to user's needs.
- To purchase books that will support school pupils, and empower the community with different life skills.
- To ensure that in the stock books on career guidance are provided.
- Provide study area for school pupils till 6h00 in the afternoon.
- Provide support to adult basic education.
- To identify, promote and develop up and coming local writing talent.

In our municipality library services is not easily accessible by the majority of our community as our community is largely rural, hence the establishment of Inzinga and Stoffelton libraries.

LIBRARY PROMOTION

- Our library membership has increased to both Inzinga and Impendle library since our last promotion.

- The Library that was discovered during the 2015/16 Financial Year in Lotheni had limitation in the supply of Books. The Municipality has been supplying Block Loan books to keep it sustained. The challenge is that it is well accessible due to its geographical location, access road and its size is too small.
- The ideal location will be next to the Clinic, Hall and Crèche in Mahlutshini Area.

SERVICE STATISTICS FOR 2018/2019

Main Impendle Library

Adults	:2878
Young adults	:1111
Juveniles	:1036
Total	: 5025

The above is the membership that we have, I will not include circulation because they vary from month to month.

Lotheni Library

Lotheni has a minimum membership of 60

Inzinga Library

Inzinga Library has a membership of 200

3.10.1 COMMUNITY FACILITIES; (HALLS & THUSONG SERVICES CENTRE)

3.10.2. EXISTING COMMUNITY HALLS

NAME OF FACILITY	USAGE	RESPONSIBLE PERSON
WARD ONE		
Lower Makhuzeni	Community Events	EPWP Personnel
Upper Makhuzeni	Community Events	EPWP Personnel
Stofelton	Community Events & War Room	EPWP Personnel
Lotheni	Community Events	EPWP Personnel
Stepmore	Community Events	EPWP Personnel
Ntwasahlobo	Community Hall	EPWP Personnel
Manguza	Community Events	EPWP Personnel
KwaThunzi	Community Events	EPWP Personnel
WARD TWO		
Imbaliyezwe	Community Events & War Room	EPWP Personnel
Swampu	Community Events	EPWP Personnel
Mayilitshe	Community Events	EPWP Personnel
Brington	Community Events	EPWP Personnel
WARD THREE		
Novuka	Community Events	EPWP Personnel
KwaMlaba	Community Events	EPWP Personnel
Smilo	Community Events	EPWP Personnel
Fikesuthi	Community Events	EPWP Personnel
Come & See	Community Events	EPWP Personnel
Impendle Community Hall	Community Events	EPWP Personnel
Ntokozweni Community Hall	Community Event	EPWP Personnel
Phindangene	Community Events	EPWP Personnel
WARD FOUR		
Vezokuhle	Community Events & War Room	EPWP Personnel
Nhlabamkhosi	Community Events	EPWP Personnel
Gomane	Community Events	EPWP Personnel
Hlelosa Community Hall	Community Events	EPWP Personnel

Departmental Funded Maintenance

A maintenance program was done on buildings within the Municipality using departmental staff and EPWP Personnel. Challenges with community vandalism/theft is ongoing and some Municipal facilities are targeted and become derelict. However, the municipality has managed to safeguard these facilities through hiring of Security Personnel using the EPWP Grant Funding.

THUSONG SERVICES CENTRE

CENTRE NAME: IMPENDLE THUSONG SERVICES CENTRE

District Municipality	UMgungundlovu	Contact Number	033-9960443
Local Municipality	Impendle	Fax Number	033-9960852
Location	Ward 3		
Centre Manager	Londeka Nzimande		
E-mail Address	londekan@impendle.gov.za		

The Thusong Centre of Impendle Municipality is situated at Impendle Village in Ward 3. The Centre became opera-

tional in 2010. The strategic objectives of the centre is to bring government information and services closer to people to promote access to opportunities as a basis for improved livelihoods. To promote cost effective, efficient and sustainable service provision to better serve the needs of citizens. To build sustainable partnership with government, business and civil society to create a platform for greater dialogue between citizen and government.

The following departments and service providers are operational at Impendle Thusong Services Centre Monday-Fri-day from 8h00 to 16:00:

- Independent Electoral Commission (IEC)
- Department of Education
- Department of Home Affairs
- UMDM (Water & Sanitation)
- NYDA
- Disability Desk
- Information Desk
- Telecentre
- Ithala ATM

Services within the walking distance:

- Impendle Library
- SASSA
- Department of Justice
- Department of Social Development
- Post Office
- SAPS
- Clinic

Mobile services at the Thusong Services Centre operational once a week:

- Department of Labour
- Ithala Bank

Outreach Programmes from the TSC

- Mobile Thusong Centre
- Information Day / Open Day
- LTT and War room Meetings (Operation Sukuma Sakhe)

Usage of Centre by the community

Conference Facilities and Meetings every day the target groups are NGOs, NPOs, CBOs, Government Departments, Sukuma Sakhe, Waroom, Municipal meetings and Functions. The centre is adequately utilized by community members and various departments and organisations however, it cannot accommodate bigger events there is no sufficient space further extension is required.

Lease Agreement

Tenants	Rental	Office size	Monthly rental
IEC	Yes	35m2	R2 275.00
UMDM	Yes	23m2	R2 963.32
Education	Yes	23m2	R2 398.46
Home Affairs	Yes	172m2	R22,851.92
Labour	No	23m2	R1 115.50

Centre Challenges

Operational Challenges

Not all essential government departments are available at the centre, shortage of space required by other departments such as SASSA, Agriculture and Social Development.

Infrastructural Challenges

- Sewage problem – Septic tank capacity
- Toilets always blocking
- Structural cracks on walls – settlement on the building
- Bird proofing is required
- Storm water control is a challenge on rainy season
- Limited parking is an issue
- Lightning protection – Earthing the entire building
- Air Conditioning is required
- Fire Extinguishers in an event of fire

Operational Funding.

The centre was not allocated a budget in the financial year 2018/2019.

Comment

Water available, electricity available and working, tele centre is available but it is not utilized by the community. The centre is fully functional and all departments operating at the centre provides with monthly statistics.

OPERATION SUKUMA SAKHE

Operation Sukuma Sakhe is a provincial programme that was founded on the premises of taking government to the people in a coordinated manner. It is determined to overcome the issues that have destroyed the communities such as poverty, unemployment, crime, substance abuse, HIV/AIDS and TB.

OSS PROGRAMME



- War room Meetings
- LTT Meetings
- Public Service Voluntary Week

WARD 1

Due to Scarted areas it resulted the ward having 2 war rooms, which is main War room in Stoffelton and Satellite War room at Mahlutshuni.

Stoffelton War room

The war room takes place every first Friday of the month at Stoffelton Community Care Centre. The war room is functional.

Mahlutshini War room

The war room takes place every first Thursday of the month at Mahlutshini Community Hall. The war room is functional.

WARD 2

The war room takes place every third Wednesday of the month at Mbaliyezwe Community Hall. The war room is functional.

WARD 3

The war room takes place every first Wednesday of the month at Impendle Thusong Services Centre. The war room is functional.

WARD 4

The war room takes place every first Tuesday of the month at Vezokuhle Creche. The war room is functional.

LTT MEETINGS

They sit monthly second Tuesday of the month at Impendle Thusong Services Centre.

3.11 CHILD CARE

The special programmes office has partnered with isihlangu se Ntuthuko and Siyakhula development in assisting the emerging business and NPO3 around impendle by assisting them to be registered. on August 35 cooperatives were already received their certificates and 10 NPO's together with our partners we organised the impendle business Expo that was held at Hlelolusha community hall on the 25 of September 2018. Over 100 business have attended the Expo and lot of presentation were done by big companies and entities on their funding procedure.

THE ACHIEVEMENTS OF THE EXPO

The rural development has funded the orchard farming at mahlutshini in ward 01. There will be planting 25 hectors of fruit trees. the area has already been fenced. On the 16 July 2018 there will be a tree planting. Izinkonjane children care center have received the grant from lotto of R 80 000. Also,lotheni sewing coop have re-ceived the funding from KZN wildlife sewing machines and the building structure at ward 01.

THE CHILDREN PROGRAMME

The special programmes office in quarter 1 and 2 of the year 2017/18 have conducted the basic computer training of 250 matriculants students from various schools across Impendle. The special programmes office has patnered with Thembaletu Trust In offering that training. We have also facilitated the establishment of the children protection forum within impendle and launch of the junior council. The members of junior council have already participated in provincial child ambassador development in Bergville and they also participated in children's parliament and boys camp. The junior council is championing children's rights and promote education to other children. They have started to visit all schools at first Friday of the month. The council has already been started preparation for the 16 days of activism against the child and women abuse.

THE SKILLS DEVELOPMENT AND JOB CREATION

The special programmes office has partnered with Amasiko Trading Enterprise and amasiko will apply for funding at services seta to fund the leaners who participated on the internship programme have commenced in April 2018 with 15 graduates placed in various departments some at DSD, schools, police, and various sections within the munici-

pality. All the 15 students are from Impendle and all of them receive their monthly stipends through amasiko and services seta.

The challenges

This office is operating at 0% budget all the programmes we are offering to the public we can not fund them. The challenge that we are facing now is that some businesses need to have the business plans and at the office we don't have a skill of drafting a business plan only the private agents that can assist if we have the budget we could have organised the training so that we got to be trained so we can help.

IMPENDLE MUNICIPALITY MENTORS GIRL LEARNERS IN THE TAKE A GIRL CHILD TO WORK INITIATIVE AND THE LAUNCH OF JUNIOR COUNCIL

The annual Take a Girl Child to work initiative gave 20 Pupils from Impendle High Schools a chance to experience a working environment hosted by Impendle Local Municipality (ILM) in collaboration with The Department of Justice (DOJ), Department of Health, Department of Social Development (DSD), South African Police Services (SAPS) and South Africa Social Security Agency (SASSA) on the 25th of May, as we celebrate Child Protection week.

The students participated in an on-the-job shadowing with all the Departments, the learners were informed of career options available within ILM, DoJ, Department of Health, DSD, SAPS and SASSA followed by The launch of Junior Council, where some of the learners with in the Schools were selected to represent learners at KZN legislature. Take a Girl Child to Work Day will become a respected drive, which Impendle Local Municipality will turn it into a culture and yearly practice endorsing it further to impart knowledge to girls coming from disadvantaged backgrounds, where career guidance is scarce.

"The aim of the initiative is to provide girl children with real life platforms to deepen their thinking and aspirations about their roles in society and which careers they want to follow after matric. Our role as ILM is to continue to show our commitment by uplifting communities in Impendle", Said Simphiwe Mlaba – Impendle Local Municipality Special Program Coordinator.

After the Take a girl child to work programme, there was a launch of the Junior Council. Some Learners selected to participate at Provincial and National Parliament. Amongst the learners Nosphephelo Dladla -from Sminza High School chosen to be the Mayor. The council focuses mainly on identifying and solving problems faced by the children on a day-to-day basis.

There was a joint sitting of the junior council followed by a debate from the learner's address problems affecting all children by means of active change. The council also increases its reach to helping any groups of people who need it, in the aim of inspiring them to help those around them.

Young people are NOT the leaders of tomorrow; they are leaders of NOW! There is no age on leadership. For the girls who participated on the Take a girl child to work this was a great opportunity for to part of the programme as it has opened their eyes to other possible career paths.

Elected Junior Council Members:

Name & Surname	Position	Name of School
1. Nohlikanipho Ndaba	Speaker	Asanda High School
2. Nosphephelo Dladla	Mayor	Isiminza High School
3. Slindokuhle Miya	Table Officer	Chibelihle High School
4. Sanele Ngcobo	Chief Whip	Matomela High School
5. Mandisa Duma	Member	Chibelihle High School
6. Mfundo Shabalala	Member	Isiminza High School
7. Nokulungisa Mncwabe	Member	Matomela High School
8. Lungelo Cele	Member	Asanda High School

3.11.1. SOCIAL PROGRAMS

YOUTH DEVELOPMENT

The establishment of the Youth unit in the municipality was informed by the National Youth Commission Act, the National Youth Policy Framework, the National Youth Policy and the National Youth Development Agency Act. These frameworks guide all the government institutions in their youth work and all activities and programs aim at improving the lives of young people in the country.

The unit is responsible for coordinating and facilitating youth programs, including sporting activities. To improvement cooperative working relation, a memorandum of understanding was signed between the municipality and the Nation-al Youth Development Agency.

KEY ACHIEVEMENT OF THE UNIT

The unit has successfully established youth council structure, its objectives are : intervention on youth issues should be holistic and focus on the main challenges that young people are facing. Policies and programmes targeting young people should address the gaps where the needs of young people are not yet fully met as well as to strengthen, accelerate , intensify and priorities existing plans and objectives.

COMPOSITION OF THE YOUTH COUNCIL

Youth Council is a ten member committee that will be nominated by the organization and structures of young people within the municipal area. The structure shall serve a period of two years after that there must be re-election of the new council. The following criteria will be considered in the identification and nomination of the Youth Council Executive Committee members.

- Women form 50% representation
- Young people aged 14-35 years
- Should have basic knowledge and / or understanding of youth issues in general
- Geographical representation
- Youth living with disability
- Race

Must be form different background and organizations

- Business
- Political organization
- Non-government organization
- Faith based organization
- Student organization

The structure was launched based on the Terms of Reference for the establishment of district and local youth council.

On September 2019 we conducted a Youth Council Induction where there were taken through the principles and guidelines of the committee.

The response to youth issues and challenges is underpinned by the following principles

- Accessibility
- Responsiveness
- Holistic
- Integration
- Diversity
- Non-discrimination
- Sustainable development
- Transparency
- Participation and incision
- Social cohesion
- Social protection

- Youth service
- Redress

Youth Council Intervention Area

- Education and training
- Health and well being
- Economic Participation
- Youth Service
- Youth work

We had given the youth an opportunity to do their in-service training and gave stipends for the transport.

The Municipality had a youth day celebration where the youth was motivated to be the change in the communities and also do good and to focus on their future and avoid social ills, also celebrated the whole youth month by doing virus activities in different wards.

PERFORMANCE HIGHLIGHTS

- CAO payments
- NSFAS applications to more than 500 people with the assistance of NYDA
 - 57 youth were employed on EPWP program (school's maintenance) by Public Works
 - 05 youth participated on in-service training

Challenges

- Many duties are clustered to one person
- Stakeholders does not respond in time
- Lack of participation from the youth on their programmes
- Budget constraints
- Limitation on resources

DISABILITY

The establishment of the disability unity in the municipalities was detected by a policy taken from the provincial Disability Parliament of 2011, aimed at improving the lives of people with disability in the country. Mainstreaming of this sector in projects and programmes of the municipality are the core fundamentals of why the unity exists. This is achieved through advocacy, intersectoral collaboration, capacity development, monitoring and evaluation. The importance for the establishment of this unity was based on the need for equity and access to development opportunities for disability as pointed within the National Development plan that drives the development agenda within the country this filters down to provinces well in ensuring gender mainstreaming.

Disability forum was established in 2013 hence providing for a deliberation of issues affecting this vulnerable group. The dialogue was conducted on social issues affecting people with disabilities. All wards are represented in this structure.

This unity has successfully placed the 4 individuals on contract under department of transport. The municipality held a number of events for the people with disabilities throughout the year. The following are some of the events that took place during the year 2018-2019.

- Summit for people with disabilities: people with disabilities partake on the summit every year at district, provincial and National PWD parliament.

Challenges

- Budget constrain/shortage of budget allocated for this sector
- The Forum need to be reviewed and be capacitated

Social Programmes: Senior Citizens/Elderly

This unit was formally established in 2011 by appointing the designated Senior Citizens coordinator. This unit was established with an aim of shaping this sector (Senior Citizens) within the municipality; support elderly clubs, include Senior Citizens in sport through golden games, include elders in economic transformation, organise healthy awareness and monitoring their forum in making sure that they are fully functioning.

Senior Citizens Forum was established in 2013 hence providing for a deliberation on issues affecting the Senior Citizens.

Municipality held the number of events for Senior Citizens throughout the year, the following are some of the events that took place during the year 2018-2019.

- 4 Forum meetings took place, one per quarter
- Golden Games

Challenges

Shortage of budget allocated for this sector, we couldn't do some programs we were supposed to do according to our yearly programs calendar eg. inter re-generation, warm winter, capacity sessions for senior citizens forum we couldn't even be able to buy clothing for the participants during Golden Games.

ARTS AND CULTURE 2018/19

QUARTER 1

Arts and Culture Indaba

Although appearing in the plan but it was called off due to financial constraint and advice from Impendle Arts and Culture Forum that the Indaba is an unnecessary exercise which does not help artists.

Operation Siyaya Emhlangeni and Umhlanga Festival

Impendle Local Municipality maidens and their matrons attended the "Reed Dance Festival". This is an important program because it touches the cultural aspect of the nation and is believed to help in reducing the HIV/AIDS and teen pregnancy issues. A total sum of R65.000 was used for this project, working together with stakeholders from the Department of Health, Department of Social Development we are still tracking progress and impact of the project in Impendle.

Indoni Festival

As Impendle we participated in the Indoni Festival and our maidens attended the festivities in Durban, contrary to the previous years that our maidens have participated in the Indoni and placed in 2017 we were unlucky but the experience itself for the maidens is exciting and encourages them to have focus in life.

Impendle Heritage Festival

Impendle Heritage festival was held in September, there were actually two festivals in September. Impendle Heritage festival was done in partnership with ICON MUSIC at Impendle Sportfield, Amaciko Angempela ase Mpendle Heritage Festival was done together with Izandlazothondo Foundation and the Office of the Secretary Moses Mabhida Region. As the Municipality we supported the Amaciko Heritage Festival with R15.000 and the ICON MUSIC HERITAGE we supported them by writing sponsorship support letters for them, we also gave them Impendle stadium for free. Supporting these two festivals we are hoping they will grow and create employment through gate takings, tourism and local economic development, both event organisers have been tasked with making sure they source funding from outside to help the events to grow.

QUARTER 2

Amadumisa Cultural Event

This is a serious event that needs to be looked into. The AmaDumisa event touches on the deep history of South Africa where there was an interaction between the Bushmen and the Zulu tribe of AmaDumisa. We believe that the Heritage Council much as it named the kwa Thunzi area a national heritage site much more needs to be done by Impendle and Nkosazana-Dlamini Zuma Local Municipalities as the area straddles the two Municipalities. Impendle Municipality donated R15.000 to this event that is held annually. Impendle Day of Reconciliation (Presidential Visit)-

This annual event was started by the visit of the former President J.G. Zuma to his homestead at Inzinga where he was tracing his roots and that of his clan. Umgungundlovu and Impendle Local Municipality then saw an opportunity to make this event an annual December festival in an area that was ravaged by political violence in the early 90s, the date of the event was previously the 16th of December which is reconciliation day in South Africa, this fitted well with the theme of reconciliation at Inzinga. Impendle Municipality contributed R50.000 to this event.

QUARTER 3

This quarter as Impendle our budget in the arts and culture had overspent and we relied on programs delivered by the Department of Arts and Culture.

QUARTER 4

As Impendle Local Municipality we were assisted by the Department of sport, Department of transport and Midmar Chrushers to host the Youth Campaign on June 16. It was a successful event held at Thusong centre, five artists were paid a sum of R2800.00 by the Department of Arts and Culture.

This campaign helped us revive the June 16 events that we were recently struggling to do because of financial constraints and our municipal priority lists. It again endeared the Youth to Municipal projects, we were able to form new partnerships.

COMPONENT G: SECURITY AND SAFETY

The municipality has its own security personnel whose functions and responsibilities are limited to safeguarding the municipal buildings, properties and the safety of the workforce. The municipality has good working relationship with the South African Police Service (SAPS) and its structures for community safety and security.

3.12. DISASTER MANAGEMENT, ANIMAL LICENCING AND CONTROL, CONTROL OF PUBLIC NUISANCES

DISASTER MANAGEMENT

The Constitution of the Republic places a legal obligation on the Government to ensure the health and safety of its citizens. Section 152(1) (d) requires that local government “promote a safe and healthy environment”. Section 51 of the Disaster Management Act requires that all municipalities establish Disaster Management Advisory Forums (DMAF).

It is against this background that the municipality launched its Disaster Management Advisory Forum on 03 August 2012. The Impendle Municipal area is prone and susceptible to disasters such windstorms, fires, floods, snowfalls and others that causes human suffering that the victims cannot alleviate without assistance.

Other challenges that faces the municipality are that Impendle is predominantly a rural area with a relatively insufficient infrastructure and the area is situated about 70 km from Pietermaritzburg which is the main city. Assistance takes time to arrive as there are no emergency facilities and equipment nearby and there is shortage of capacity and resources.

ILM has certain responsibilities in relation to disaster management, which include inter alia, responding to local incidents and developing disaster management plans in terms of the Disaster Management Act. The municipality set aside R80 000 in the 2017/2018 Financial Year to deal with disasters.

ANIMAL LICENSING AND CONTROL, CONTROL OF PUBLIC NUISANCE AND OTHERS

The municipality is in a process of developing a range of by-laws include Pound By-laws, Street Trading and more others as Council may deem necessary.

COMPONET H: SPORT & RECREATION

3.13. SPORT & RECREATION 2018/19

QUARTER 1

- Dundee July 2017-As Impendle we had the privilege of being part of the Dundee July two (2) of our horses were se-lected to run in the Dundee July. The event is sponsored fully by the Department of Sport but as local municipalities we still had to hire horse trailer to meet the Department halfway.
- Mandela marathon- Impendle Municipality was part of the Mandela Day Marathon and our young athletes both (male & female) did us proud in the Mandela Marathon Youth Run by dominating the race and placing in the top 30, no.1 2&3 spots were taken by our athletes.
- Purchase of Ward 4 playing kits-Four playing kits were purchased for the Nadsekhaya, Boston, KwaMagusha areas. These areas have no existing League thus purchasing of playing kits has encouraged them to play games with neigh-bouring farms.

QUARTER 2

- Ndabsekhaya Hub Festival-Ndabisekhaya area of Ward 4 was the host of the Hub games on purpose, the purpose of these games is sport mass participation. Ndabsekhaya it was noted when they fell under Impendle under the new demarcation of new municipal boundaries that they only played football and netball, during the hub festival they were introduced into new sporting codes like rugby, volleyball and Indigenous games. These games were done in partnership with the Department of Sport and Recreation. Impendle local Municipality contributed R8,550.00 to this event for transport and refreshments.
- Salga Games 2017-We did not have enough funds for Ward games, Mayoral games and the District selection games but we negotiated with District Federations to include players from Impendle in the final Umgungundlovu Team going to Richardsbay. Team Impendle had 36 players and coaches in the final Umgungundlovu District Salga Games Team, a great achievement if one notes our financial problems. Federations like rugby, Indigenous games, athletics and volley-ball need to be commended for being able to produce players that make it to regional teams. Councillors as custodi-ans of the Salga Games accompanied the players to Richardsbay.
- Sport Against Crime 2017- This annual event is co-sponsored by the Department of Community Safety and Liaison and Impendle Municipality.
- Bongmusa training marathon 2017- This is a National event that attracts the top marathon runners, it is done in partnership with Nkosazana-Dlamini Zuma Local Municipality, Impendle Municipality contributed R20.000 to this event transferred to Nxamalala Striders. The winner of the Comrades Marathon 2017 is the patron of this marathon and this race is a celebration of his achievements and the celebration of rural sport excellence to encourage young and old to take part in road running and healthy lifestyle.

QUARTER 3

- Impendle Easter Tournament-Impendle Local Municipality contributed R30.000 to this tournament again R20.000 was for football, R10.000 for other Federations.

QUARTER 4

- The June 16, 10Km race-This annual race did not take place because Impendle Athletic Club which runs the race did not sort its' affairs with KZN athletics. The race will be replaced by the FLORENCE NDLOVU 21KM MARATHON to be run in July 2018.
- Youth Festival-This innagural event did not take place because of lack of funds. The objective of this event was to get the juniors playing during the youth month because for the whole year round all federations cater mostly for adults thus leaving the ages 9-14 not being catered for.

COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

3.14 EXECUTIVE AND COUNCIL

OFFICE OF THE MUNICIPAL MANAGER

This Office has seen the successful finalisation and approval of the IDP Review and the Service Delivery Budget Implementation Plan (SDBIP). The Office has also provided an effective oversight over the performance of the administration by ensuring that progress reports are submitted to the Council and National as well as Provincial Department of Cooperative Governance and Traditional Affairs (CoGTA).

Table 3.13.1: Office of Municipal Manager Indicators

Indicator	2018/19 Delivery Agenda	Annual Target	Actual Annual Achievement
Development of integrated development plan aligned to all municipal planning processes	IDP reviewed and approved	Approved IDP	IDP reviewed and approved
All directorates SDBIPs streamlined and linked to performance management and plans	SDBIP linked to performance agreements, annual and mid-year reports compiled	Development of annual report	Annual report 17/18 approved by Council
		Development of mid-year review	Mid year Budget and Service Delivery Performance developed
		Approved performance agreements	Budget and performance review session report compiled
All Information and/data in compliance reports and operational plans credible	None	Development of a system to collect and analyse information/data	e-PMS not implemented
Indicator	2018/19 Delivery Agenda	Annual Target	Actual Annual Achievement
Comparison of all actual project impacts against the agreed strategic plans	Quarterly, mid-year and annual reports	Monitoring and evaluation progress review reports	Monitoring and evaluation progress review reports submitted to EMT for approval
		Progress review report	S 56 monitoring and evaluation review report compiled
All turnaround programs and projects are implemented	Development of turnaround strategy	Turnaround strategy kick-wins implemented	Q1-Q4 implementation progress report submitted to CoGTA

MAYOR'S/SPEAKER'S OFFICE

Table : Speaker's Office Indicators

Indicator	2018/19 Delivery Agenda	Annual Target	Actual Annual Achievement
Involvement of ward committees in CBP, IDP, Budget preparations and other policy formulation	100%	100%	90%

Citizens participating in annual CBP, IDP and Budget formulation	90%	90%	90%
Capacity of identified councilors enhanced			
Involvement of ward committees in CBP, IDP, Budget preparations and other policy formulation	Ward committees Action Plan	Quarterly meetings	4 Meetings held
Number of community ward plans developed	Ward development plans	All ward plans developed	All ward plans developed
Percentage of citizens participating in annual CBP, IDP and Budget formulation	100%	100%	100%

3.15 FINANCIAL SERVICES

DEPARTMENT	FUNCTION
Revenue	Billing of All Municipal Accounts Collections and receipting of Municipal Revenue Vehicle Licensing Banking of Municipal funds and Transport dept. Debt Management Reconciliation of Accounts Indigent Register Management MPRA Management Cash Management
Expenditure	Payment of creditors Capturing and Payment of Salaries Cashbook Management VAT submission and reconciliation Reconciliations of accounts Lease Management – Vodacom; Nashua etc Budgeting – preparation of adjustment budget and annual budgets
SUPPLY CHAIN MANAGEMENT	Acquisition Management sourcing of quotations Issuing Orders Liaise with service provider and end users Coordination of tendering process for BSC,BEC and BAC Reporting Contract Management

REPORTING	Asset Management – Updating of Asset register Asset Count Asset movement monitoring Asset reconciliations Insurance Management Cash Management-Investment of funds and reconciliations, funds withdrawals and allocations Loans Management – Reconciliation of Loans account Grant Management- Maintenance of grant register Financial Reporting – AFS, IFS, QFS, Sec 71 and 66 all reporting matters to NT,PT AG ETC.
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Staff Complement

SNR ACCOUNTANT	DEPUTY CFO
Expenditure - 1 (Accountant)	
- 1 Intern	
	Reporting –1 (Accountant)
- 1 Intern	
Revenue – 3 (Accountant, Billing Clerk, Cashier)	
- 1 Intern	SCM – 3 (Accountant, SCM Practitioner)
- 2 Interns	

The department is highly under staffed hence in the new budget the CFO has proposed additional staff.

3.16 HUMAN RESOURCE SERVICES

Impendle is continuously striving to improve the working conditions of its employees, and for continuously capacitating them through training and other interventions. Most importantly, the Municipality is committed to promoting Employment Equity, particularly, the promotion of women to management and other higher positions. In order to realize these ideals, Impendle had placed the development of workplace skills plan and Employment Equity Plan at the Centre of its performance for 2018/19. The Municipality has managed to develop both the workplace skills plan and Employment Equity Plan as planned. In addition, the Impendle has a policy on Individual Performance Management System (IPMS) for Senior Management in order to appropriately assess the performance of its employee.

Table 3.16.1: Human Resources Indicators

Indicator	2018/19 Delivery Agenda	Target	Actual Annual Achievement
Workplace Skills Plan submitted	April 2019	100% Employees trained	40%
Council approved EE Plan and 5 year Implementation Plan by Council	No. of women employed in the three highest levels	4	4
Approved policy on Individual Performance Management System (IPMS)	Draft IPMS policy	IPMS policy approved by Local Labour Forum and Municipal Council	Draft Policy on IPMS

Table 3.16.2: Employment Equity Targets, 2018/2019

Employment Equity	Target	Actual
Black people employed in the three highest levels of management	16	16
Women employed in the three highest levels of management	5	5
People with disabilities employed in different categories and levels	2%	2%
Black people employed in different categories and levels	100%	100%

3.17 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

The Municipality has adopted the Information and Communication Technology Strategy which is a policy document with projects that must be implemented. The Municipality together with the uMgungundlovu District through Government Information Technology Officers Council (DC22 GTOC) has developed an ICT Blue Print which is a document setting objectives to be achieved and mechanism for implementation. It promotes uniformity of all ICT activities with-in the uMgungundlovu Family of Municipalities. The Strategy consists of the following policy documents:

- Disaster Recovery Plan
- Business Continuity Plan
- ICT Governance Framework
- Master System Plan (Business Plan (Strategy))

COMPONENT K: ORGANISATIONAL PERFORMANCE SCORECARD and PERFORMANCE ASSESSMENTS

1. ORGANISATIONAL SCORE-CARD 2018/19 ANALYSIS

The above-mentioned strategic priorities as identified in the IDP, cascades into the Performance Management System of the Municipality through the 5 year organisational score-card (Appendix 1).

The comparison of the 2017/18 and 2018/19 financial years is illustrated below. The total of 124 for 2017/18 and 128 for 2018/19 Key Performance Indicators (relevant and applicable) are evaluated against targets set as summarized below:-

APPENDIX 1: ORGANISATIONAL SCORE CARD

KEY PERFOR- MANCE AREA	TARGET MET & EXCEEDED		TARGETS NOT MET		TARGETS IN PROGRESS		TOTAL NUMBER OF KPI'S	
	2017/18	2018/19	2017/18	2018/19	2017/18	2018/19	2017/18	2018/19
Service Delivery and Infrastructure Development	12	9	0	0	1	1	13	10
Financial Viability and Management	24	29	4	1	8	2	36	32
Social and Local Economic Development	23	24	3	3	2	3	28	30
Good Governance And Public Participation	21	26	0	1	5	0	26	27
Institutional Development and Transformation	15	16	1	2	1	3	17	21
Cross cutting	3	6	0	0	1	2	4	8
TOTAL	98	110	8	7	18	11	124	128

The overall municipal performance indicates that 86% of the targets were met during 2018/2019, leaving 9% of targets which were partially met and 5% which were not met at all.

A detailed analysis where targets were not met or met partially is discussed, the reasons for deviations and action to be taken are also discussed per department.

2. SERVICE DELIVERY BUDGET IMPLEMENTATION PLANS (SDBIP) 2018/19

Performance on SDBIP's for each of the departments for the 2017/18 financial year is attached as Appendix 2.1 and for the 2018/19 financial year is attached as Appendix 2.2 with the assessment being done on reviewed Actuals against Portfolio of evidence submitted by departments.

The methodology used for the assessment is based on the rating calculator for Municipal Manager's and managers directly accountable to the Municipal Manager. The Score-cards were reviewed against actuals reported against sub-mission of Portfolio of evidence which was also subject to an internal audit process.

The methodology uses a scale of 1 for non-performance where no work has been done at all, 2 is allocated where work is done but it does not meet the minimum requirements, (more than 0 but less than 100) 3 for meeting the re-quired levels of the target this will be where all targets were met (100%), 4 is allocated where above 100 is achieved.

Appendix 2.1 Departmental Service Delivery Budget Implementation Plan for the 2017/18 Financial Year

	TARGET MET AND EXCEED	TARGET NOT MET	TARGET MET PARTIAL-LY	TOTAL TARGET
Budget and Treasury	22	1	8	31
Corporate and Community Services	31	4	1	36
Executive and Council	23	2	4	29
Infrastructure and Planning Services	22	1	5	28
TOTAL	98	8	18	128
Percentages	79%	6%	15%	100%

Appendix 2.2 Departmental Service Delivery Budget Implementation Plan for the 2018/19 Financial Year

	TARGET MET AND EXCEEDED	TARGET NOT MET	TARGET MET PARTIAL-LY	TOTAL TARGET
Budget and Treasury	25	1	2	28
Corporate and Community Services	35	6	5	46
Executive and Council	27	0	0	27
Infrastructure and Planning Services	23	0	4	27
TOTAL	110	7	11	128
Percentages	86%	5%	9%	100%

2.1. TARGETS MET

The major achievement of the municipality is mainly attributed to Budget and Treasury Office, Infrastructure and Planning Services, Executive and Council and Community Services.

The good working relationship between council and management and other structures of government contributes to the achievement of these targets, which includes but not limited to 100% spending on MIG and implementation of projects, compliance with regulation on financial matters of the municipality, establish of sustainable job opportunities through the proper implementation of EPWP and CWP, ensure a good governance by maintaining effective and function oversight committee like MPAC and Audit committee, maintaining a functional municipal council, conducting promoting public participation and stakeholders forums.

2.2. TARGETS NOT MET

DEPARTMENT	TARGET	REASONS	ACTION
Corporate and Community Services	No of meetings held with the Local Labour Forum (LLF)	It is still a challenge to convene LLF meetings as they are not prioritized.	We will request SALGBC to conduct a workshop in the 2019/2020 Financial Year
	Date of submission of the Skills Audit Report to LGSETA	Indicator was not achievable	Indicator has been adjusted for the 2019/20 financial year
	Conduct ESS Survey	Due to time constraints it could not be completed as per the target	To be completed in the next financial year
	Number of Crafters workshop to be held	Due to financial constraints the workshop did not take place	It has been scheduled for the next financial year
	Number of Youth Forums Launched	Due to financial constraints the launch did not take place	It has been scheduled for the next financial year
	Number of Ateniqua games held	Games were not held as planned due to Elections	They have been re-scheduled next financial year in February 2020
Budget and Treasury Office	No. of Bid Committees training held	Lack of capacity due to vacancy within the SCM Unit hence reports could not be prepared timeously	Appointment of SCM Accountant will be finalized in the next financial year

2.3. TARGETS MET PARTIALLY

DEPARTMENT	TARGET	REASONS	ACTION
Budget and Treasury Office	4 SCM Report submitted to council by 30 June 2019	Lack of capacity due to vacancy within the SCM Unit hence reports could not be prepared timeously	Appointment of SCM Accountant will be finalized in the next financial year
	2 reports on irregular expenditure submitted to Council	Lack of capacity due to vacancy within the SCM Unit hence reports	Appointment of SCM Accountant will be finalized in the next financial year

		could not be prepared timeously	
Corporate Services	2019/20 WSP/ATR submitted to LGSETA by 30 April 2019	WSP/ATR is submitted to the Training and Development Committee prior submission to LGSETA	Indicator will be amended in the next financial year
	No. of funded vacant S54/56 post filled	The interviews have been conducted and completed, awaiting verification of the candidates fingerprints and qualification in order to table the report to Council	The verification is not in the control of the Municipality, ILM has to wait for the receipt of the verification report from the external service provider
	Review of Health and Wellness Policies and Programme	A Draft has been developed and was circulated to various departments for inputs	No input were received as at the end of financial year. The policy will be adopted in the second quarter of the 2019/2020
	Number of Risk Management Plans Developed	Draft plan attached however there were delays as it was done in-house with limited	To be completed in the next financial year

		capacity	
	No of Ward AIDS Committee Meetings held	Meetings did not seat in Q1 and Q2 as the responsible people (Ward Councilor 's) did not convene the meetings	The HIV/AIDS coordinator will convene meetings on behalf of Ward AIDS Committee Chairperson
Infrastructure and Planning Services	Date of appointment of service provider for Construction of Fikesuthi Hall	Delays with SCM Processes due to lack of capacity within the unit	Appointment of service provider to be finalized in the next financial year (July 2019)
	No. of Schemes Developed	Draft Situation Analysis submitted by the Service Provider had gaps, they had to re-do it	To be re-submitted by August 2019
	No. of Strategies Developed	Unavailability of stakeholders to meet for finalization of the Strategy	SALGA will be advised to take over the process.
	No. of Catalytic projects Developed	Email from EDTEA explaining change of Implantation Model	Change of Implementation Approach

The quarterly report that is audited by the internal audit and reported to Audit committee and council forms the basis of the information submitted.

2.4. Targets not Achieved in 2017/18 Financial Year and Measures taken to Improve Performance

Most of the targets that were not achieved in the previous financial year (2017/18) were special programs and maintenance due to the financial constraints in the municipality. In order to improve the Municipality strengthened its relationships with Sector Departments, NGOs such as Devine Life society and Izandla Zothando and the uMgungundlovu District Municipality to share and integrate activities. The Municipality also finalised drafting of the Revenue Enhancement Strategy for improved Service Delivery.

3. CAPITAL PROGRAMME PERFORMANCE 2017/18

A capital status report highlighting the status of the capital programmed as at the 30 June 2018 is included as Appendix 3.1

APPENDIX 3.1 Percentage Budget Spent on Capital Project Implementation for the 2016/17

	COMPLETED	IN PROGRESS	INTERVENTION	NUMBER OF PROJECTS	BUDGET SPENT
Infrastructure and Planning Services	8	1	0	9	100%
TOTAL	8	1	0	9	
Percentages	89%	11%	0%	89%	100%

4. CAPITAL PROGRAMME PERFORMANCE FOR 2018/19

A detailed capital status report highlighting the status of the capital programme as at the 30 June 2019 is included as Appendix 3.2

This assessment is based on reported information only as well as a technical review against the submitted Portfolio of Evidence. The assessment has gone through the internal verification process and has been audited by the Internal Audit unit.

APPENDIX 3.2 Percentage Budget Spent on Capital Project Implementation for the 2017/18

	COMPLETED	IN PROGRESS	INTERVENTION	NUMBER OF PROJECTS	BUDGET SPENT
Infrastructure and Planning Services	6	1	0	7	100%
TOTAL	6	1	0	7	
Percentages	86%	14%	0%	86%	100%

5. OVERALL COMMENT

- The progress and performance made in respect of meeting organisational and operational targets are commended.
- Internal co-ordination systems and processes require review to ensure improved co-ordination.
- Record keeping and document management approaches will determine the quality of the evidence to be submitted for evaluation purposes

6. GENERAL RECOMMENDATIONS FOR IMPROVEMENT

- a) That Heads of department ensure that the performance information and the Portfolio of Evidence is submitted timely;
- b) That evidence submitted be signed off by Head of Department in order to ensure that information is valid and correct
- c) That where applicable the department communicates with responsible department to merge certain KPI and provide information corresponding to each other for alignment purposes
- d) That Head of Department and responsible managers conduct monthly meetings to monitor compliance with all targets and reporting requirements
- e) Regular monitoring and oversight required for all targets set
- f) That project task teams be established for all projects where co-ordination and integration is required

7. PERFORMANCE HIGHLIGHTS 2018/19

BASIC SERVICE DELIVERY PERFORMANCE

INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION

- Development and adoption of the Job Evaluation Policy
- Development and Review of Job Descriptions

SOCIAL DEVELOPMENT

- Ability to achieve most of the targets with limited funds i.e Community Outreach Programmes, Career Expo.

GOOD GOVERNANCE AND PUBLIC PARTICIPATION

- Adherence to legislated timeframes
- Efficient Public Participation through sitting of Ward Committee Meetings
- Implementation of Batho Pele and Service Delivery Improvement Plan

LOCAL ECONOMIC DEVELOPMENT

- Creation of job opportunities through EPWP Programme
- Support provided for emerging contractors i.e workshops

SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT, CROSS CUTTING

- 8.2 km of roads re-gravelled/constructed
- 100% expenditure on MIG

FINANCIAL VIABILITY AND MANAGEMENT

- Adherence to legislated timeframes

PERFORMANCE CHALLENGES 2018/19

INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION

- Lack of capacity to develop some of the policies and plans internally

SOCIAL DEVELOPMENT

- Lack of capacity
- Financial Constraints

GOOD GOVERNANCE AND PUBLIC PARTICIPATION

- Convening LLF Meetings

LOCAL ECONOMIC DEVELOPMENT

- Financial Constraints

SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT, CROSS CUTTING

- Completion of some of the projects due to delays caused by lack of capacity

FINANCIAL VIABILITY AND MANAGEMENT

Lack of capacity

MEASURES TAKEN TO IMPROVE PERFORMANCE**INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION,**

- To enhance capacity of the existing Human Resources through Skills Development

SOCIAL DEVELOPMENT

- To enhance capacity of the existing Human Resources through Skills Development
- Sourcing external funding

GOOD GOVERNANCE AND PUBLIC PARTICIPATION

- To request SALGBC to conduct a workshop on the importance and relevance of LLF.

LOCAL ECONOMIC DEVELOPMENT

- Sourcing of external funding for implementation of Local Economic Development Programmes.

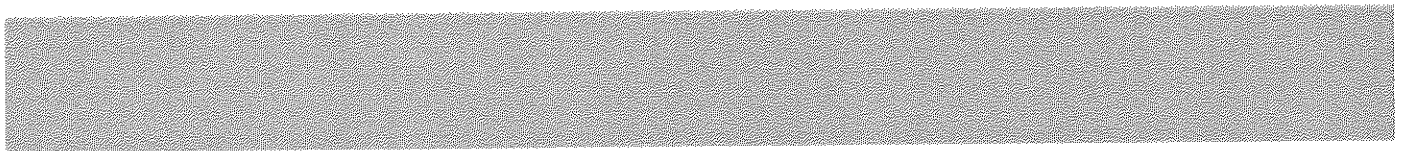
SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT, CROSS CUTTING

- To enhance capacity of the existing Human Resources through Skills Development

FINANCIAL VIABILITY AND MANAGEMENT

- To enhance capacity of the existing Human Resources through Skills Development

Finalize filling of critical vacant posts within SCM Unit



CHAPTER 4 ORGANISATIONAL DEVELOPMENT (PERFORMANCE REPORT PART II)

COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

2018/19

Employee Totals, Turnover and Vacancies

Description	Employee Number 2018/2019	Number of Approved Posts 2018/19	Vacancies
Finance Department	14	17	03
Infrastructure & Planning Department	20	41	21
Corporate & Community Services Department	13	24	11
Executive Department	08	14	06

Organogram has been approved however the unavailability of funds prevented the municipality to fill most positions and this contributed to a high vacancy rate.

Details	Total Appointments as of beginning of Financial Year No.	Terminations during the Financial Year No.
2018/19	17	05
Finance Interns 2018/19	04	03

HR Policies

The Last adoption of HR Policies by Council was in March 2017.

Injury, Sick and Suspensions

- Number and cost of injury on duty (N/A)
- Number and period of suspension (N/A)

Employees by Group and Gender

Designations	Male	Female	Total
Top Management	1	-	1
Senior Management	2	1	3
Professionally qualified and experienced specialist and mid Management	7	5	12
Skilled Technical and Academically qualified workers, junior management, Supervisors, foremen and superintendents	8	13	21
Semi-Skilled and discretionary decision making	12	7	19
Unskilled and undefined decision making	23	13	36
TOTAL PERMANENT	53	39	92
Non-Permanent	7	10	17

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

4.2 POLICIES

The Municipality has reviewed Human Resources policies and policies were consolidated into a Human Resources Policy Manual which was adopted by Council.

- The need for the policy stems from section 67 of the Municipal Systems Act which requires the Municipality, amongst other things, to develop and adopt appropriate systems and procedures to ensure fair, efficient, effective and transparent personnel administration, in accordance with the applicable law and subject to any applicable collective agreement.
- The Manual is intended to create a framework for decision-making in respect of human resources management in the Municipality. As such it attempts to establish a set of rules for the consistent interpretation and application of collective agreements and legislation governing human resources management in the Municipality.
- The policies contained in the document cover most of the human resources management issues that the Municipality experiences from day to day.
- The Manual contains the human resources policies and procedures of the Impendle Municipality.
- The policies and procedures prescribed in the Manual apply to all employees of the Municipality.
- The Municipal Manager and departmental heads are responsible and accountable for the implementation and application of the policies and procedures.
- The policies and procedures contained in the Manual must be read together with, and interpreted consistently with, the relevant collective agreements and legislation.
- Whenever there is a conflict or inconsistency between any policy contained in the Manual and any collective agreement or legislation, the provisions of such collective agreement or legislation prevails.
- Where the policies and procedures contained in the manual differ from the conditions of service currently applicable to the section 57 employees, in terms of their employment contracts the specific conditions of service in the employment contracts will prevail.

During the 2017/18 financial year a review of policies was done and the Municipality developed comprehensive human resources Policy Manual.

The policies basically consist of both human resources and corporate operational and procedural policy framework. The goals of the human resource policy framework are to:

The goals of the human resource strategy are to:

- Ensure that the required number of employees with the required skills and expertise are available when needed
- Ensure sound labour relations
- Ensure that employees are developed in accordance with the Work Place Skills Plan
- Enhance the quality of institutional and individual performance;
- Ensure that all relevant human resource systems are established and implemented
- Promote Occupational Health and Wellness Services

HR Policies and Plans				
	Name of Policy	Completed	Reviewed	Date adopted by council or comment on failure to adopt
1	Recruitment, Selection, Appointment, Placement, Demotion & Transfer	Yes	Yes by council	March 2017
2	Relocation Policy	Yes	Yes by council	March 2017
3	Labour Relations	Yes	Yes by council	March 2017
4	Employee Remuneration	Yes	Yes by council	March 2017
5	Allowances: Housing and Car	Yes	Yes by council	March 2017
6	Essential Services	Yes	Yes by council	March 2017
7	Employee Benefits Schemes	Yes	Yes by council	March 2017
8	Subsistence and Travelling	Yes	Yes by council	March 2017

9	Working Hours and Attendance	Yes	Yes by council	March 2017
10	Leave	Yes	Yes by council	March 2017
11	Occupational Health, Employee Wellness and Workplace Safety	Yes	Yes by council	March 2017
12	Training and Development	Yes	Yes by council	March 2017
13	Career Opportunities and Succession Planning	Yes	Yes by council	March 2017
14	Use of Municipal Equipment and Vehicle	Yes	Yes by council	March 2017
15	Leave	Yes	Yes by council	March 2017
16	Occupational Health	Yes	Yes by council	March 2017

4.3 INJURIES, SICKNESS AND SUSPENSIONS

Number and cost of injuries on duty					
Type of Injury	Injury leave taken (days)	Employees using injury leave (No)	Proportion employees using sick leave (%)	Average injury leave per employee (days)	Total estimated costs (R0.00)
Non	N/A	N/A	N/a	N/A	N/A
Number and periods of suspension					
Position	Nature of alleged misconduct	Date of suspension	Details of disciplinary action taken or status of case and reasons why not finalized	Date finalized	
N/A	N/A	N/A	N/A	N/A	

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

4.4 SKILLS DEVELOPMENT AND TRAINING

2018/2019 Unemployed Learners

Artisan Development Programme(Electricity)

- The training was target for the youth of Impendle and those who have electricity specially women. The training is funded by (EWSETA) Energy and Water Services Sector in partnership with Artisan Development Academy. The learnership Consist of 25 learners, it began on the April 2018 it will end/ terminate in April 2020. Once learner has completed the learnership they will be qualified Artisans.

Landscaping Skill programme

- Purpose and rationale of the qualification
- This qualification provides learners with a comprehensive base of portable skills that will enable them to progress within all spheres of the horticulture industry. This qualification forms an integrated step in the career paths of the various disciplines in ornamental horticulture and follows on from the NQF Level 2 Certificates. For this already employed in the industry, this qualification will offer learners the opportunity to hone their skills and receive recognition for their competencies
- The training was held in Nonguqa Location under ward 4, it was a 3 months programme which began on the 12th March 2018 and terminated 11 June 2018. It had 25 student i.e 100 % black and 60% women.
- Employed Learners
- MFMP – 06 Completed

Human Resources Indicators

- Workplace Skills Plan & annual training report was approved by Council on the 26th April 2018 approved. Then was submitted to LGSETA On the 30 April 2018.
- Employment Equity Report submitted on the 12th December 2016.
- Employment Equity Plan was approved by Council on 31st of May 2018, and submitted to Department of labour on 12 February 2018.

CHAPTER 5^{FINANCIAL} PERFORMANCE

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

5.1 STATEMENTS OF FINANCIAL PERFORMANCE

The following table provides a summary of the Municipality's financial performance as at 30 June 2019. The financial performance reflects a decrease in surplus for the year and this is attributed to a 6% decrease in revenue and a 3% increase in operating expenditure.

Financial Performance	2017-18	2018-19
	'000	'000
Property rates	4694	4941
Service charges	66	61
Investment revenue	1052	1011
Transfers recognized – operational	51219	51 144
Other own revenue	2466	540
Total Revenue (excluding capital transfers contributions)	8278	6533
Employee costs	26413	28 791
Remuneration of Councillors	2394	2 490
Debt impairment	-	1 002
Depreciation & asset impairment	21659	2 616
Finance charges	208	
Repairs and Maintenance	-	208
Transfers and grants	-	-
Contracted Services	5992	
Other expenditure	9479	915
Total Expenditure	66 145	48 542
Surplus/(Deficit)	6648	10 731

5.2 GRANTS

Financial Overview, 2019

The information below reflect a list of grants budgeted for, received and recognized during the 2018/2019 financial year. The municipality's grant transfer has increased by 5.2% when compared with the previous year 2017/18.

Grant Performance

Description	2017/18	Current Year 2018/19		
R thousand	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast
EXPENDITURE:				
Operating expenditure of Transfers and Grants				
National Government:	42 541	34 835	34 835	34 835
Local Government Equitable Share	31 349	31 475	31 475	31 475
Finance Management	1 825	1 900	1 900	1 900
EPWP Incentive	1 443	1 460	1 460	1 460
Municipal Systems Improvement				
Integrated National Electrification Programme	7 924			
Other transfers/grants [insert description]				
Provincial Government:	1 056	1 232	1 232	1 232
Sport and Recreation	318	300	300	300
CyberCadet	179	188	188	188
Library Provincilisation	559	744	744	744
District Municipality:	–	–	–	–
Other grant providers:	–	–	–	–
Total operating expenditure of Transfers and Grants:	43 598	36 067	36 067	36 067
Capital expenditure of Transfers and Grants				
National Government:	16 382	11 845	11 845	11 845
Municipal Infrastructure Grant (MIG)	16 382	11 845	11 845	11 845
Other capital transfers/grants [insert desc]				
Provincial Government:	1 066	5 847	5 847	5 847
Sports: Facilities	1 066	5 847	5 847	5 847
District Municipality:	–	–	–	–
Other grant providers:	–	–	–	–
Total capital expenditure of Transfers and Grants	17 448	17 692	17 692	17 692
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	61 045	53 759	53 759	53 759

All conditional grants received were utilized in accordance with the grant conditions as prescribed in DORA, and were cash backed throughout the financial year. They were an unspent grant for Nxamalala sport ground that we apply of rollover for an amount of R 2 672 743.91

5.3 ASSET MANAGEMENT

INTRODUCTION OF ASSET MANAGEMENT

Asset Management can be defined as the strategic management of movable and immovable fixed assets during their life in the organization. Asset management takes place from the time of assets acquisition, use, maintenance and disposal.

The Asset management section in the Budget and Treasury office is responsible for maintaining of fixed asset register, annual asset counts, capturing of newly acquired assets on the asset register and the removal of obsolete or written off and disposed assets from the asset register.

The municipality has put internal controls to discourage the abuse of motor vehicles, these controls include physical inspection of the municipality's vehicles as they leave and return to the municipal premises.

TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED YEAR 2018/2019

Asset 1

Name	Construction of Nxamalala Sportsfield (Department of Sports and Recreation) Sportsfield
Description	Community Asset Infrastructure Manager
Asset Type	Overlook the progress of the project R11 363 411
Key Staff Involved	Capital asset Community
Asset Value	Asset Management Policy
Capital Implications	Construction of Nxamalala Sportsfield (Department of Sports and Recreation) Sportsfield
Future Purpose of Asset	Community Asset Infrastructure Manager
Describe Key Issues	Overlook the progress of the project R11 363 411
Policies in Place to Manage Asset	Capital asset

Asset 2

Name	Constructions of Ntokozweni Ward 3 Gravel Road (MIG Project)
Description	Roads
Asset Type	Community
Key Staff Involved	Infrastructure Manager and consultant (BI Infrastructure)
Asset Value	R1 197 000.01
Capital Implications	Capital Asset
Future Purpose of Asset	Community Asset
Describe Key Issues	Easy Access Roads for the community
Policies in Place to Manage Asset	Asset Management policy

Asset 3

Name	Construction of Nxamalala Sports field (Department of Sports and Recreation)
Description	Sports field
Asset Type	Community Asset
Key Staff Involved	Infrastructure Manager and Consultant
Staff Responsibilities	Overlook the progress of the project
Asset Value	R 6 894 724.28
Capital Implications	Capital asset
Future Purpose of Asset	Community
Describe Key Issues	The assets was in work in progress (WIP)
Policies in Place to Manage Asset	Asset Management Policy

5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

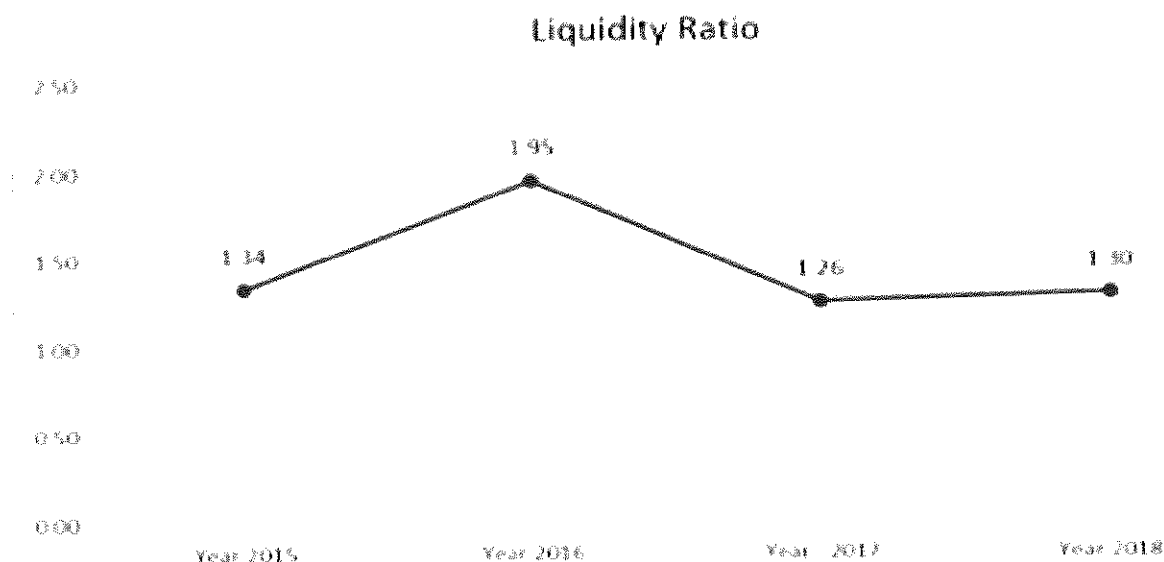
Impendle Local Municipality make use of a number of operating ratios and indicators to enable to benchmark financial performance. The following are of particular importance:

5.4.1 LIQUIDITY

The liquidity ratio is calculated on the basis of current assets divided by current liabilities. The liquidity ratio is a measure of the ability of the municipality to utilize cash and cash equivalents to extinguish or retire its current liabilities immediately. As a norm, the municipality should have the equivalent cash and cash equivalents on hand to meet at least the current liabilities, which should translate into a liquidity ratio of 1. Anything below 1 indicates a shortage in cash to meet creditor obligations.

For the 2017/18 financial year the ratio was 1,01, however this was increased to 1,3 in the 2018/19 financial year.

	Year 2018	Year 2017	Year 2016	Year 2015
Liquidity Ratio	01:01.3	01:26	01:01.3	1.3
Current Assets	9278	9764255	12501842	12501842
Current Liabilities	4755	7777255	9616960	9616961

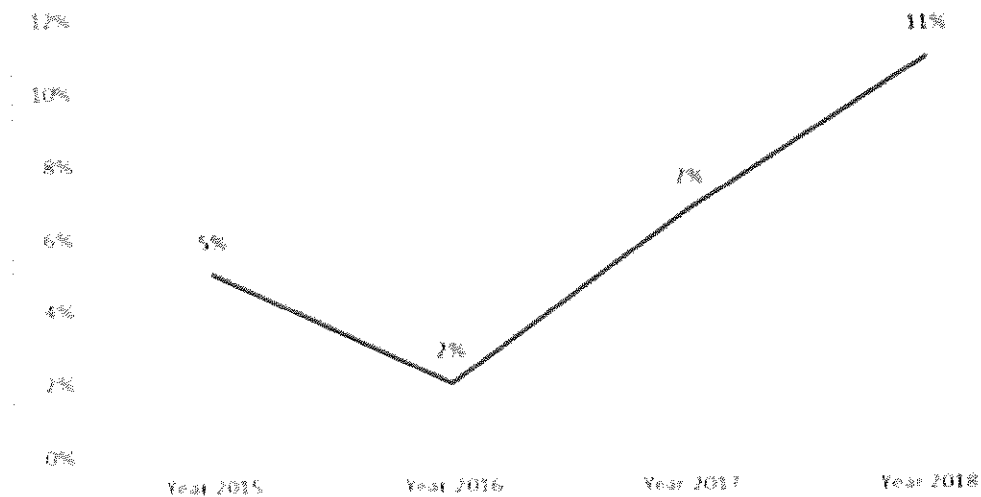


5.4.2 DEBTORS VS REVENUE ANALYSIS

The graph below indicates the how much of debt is covered by our own revenue. This indicates that about 11% of debt in the 2017/18 financial year is covered by our own revenue, as shown in the table below.

	Year 2015	Year 2016	Year 2017	Year 2018
Debt coverage	5%	2%	7%	11%
Debt	1181	3868	4604096	6385098
Revenue	57758	72268	68425656	58533138

Debt Coverage

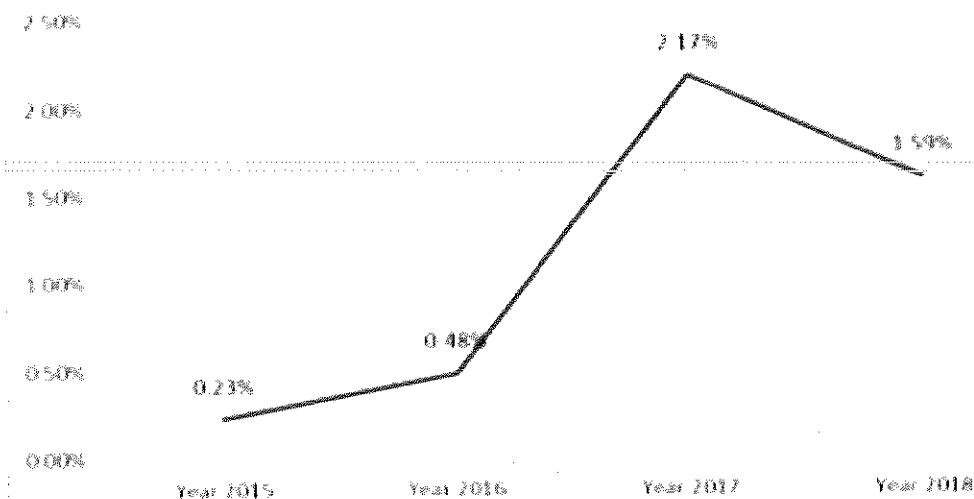


5.4.3 CAPITAL CHARGES VS OPERATING EXPENDITURE

Capital charges relate to interest on loan repayments, and during the 2017/18 financial year Interest paid amounted to 1.59% of the total operating expenditure.

	Year 2015	Year 2016	Year 2017	Year 2018
Capital Charges to Operating Expenditure	0.23%	0.48%	2.17%	1.59%
Interest paid	375	293	1410804	1051545
Operating expenditure	52717	60936	64933941	66145702

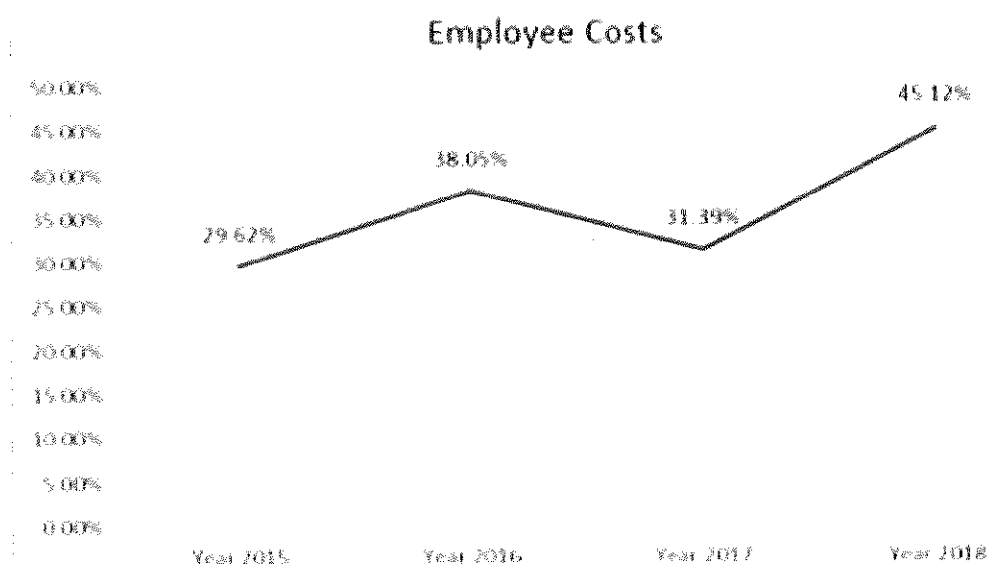
Capital Charges to Operating Expenditure



5.4.4 EMPLOYEE COSTS

Employee costs reflect an increase of 45% as compared to 31% of 2016/17 financial year. Therefore during 2017/18 financial year, employee costs were 45% of the total operating revenue, which is slightly above the norm of 40%. This is due to placements that took place during 2018.

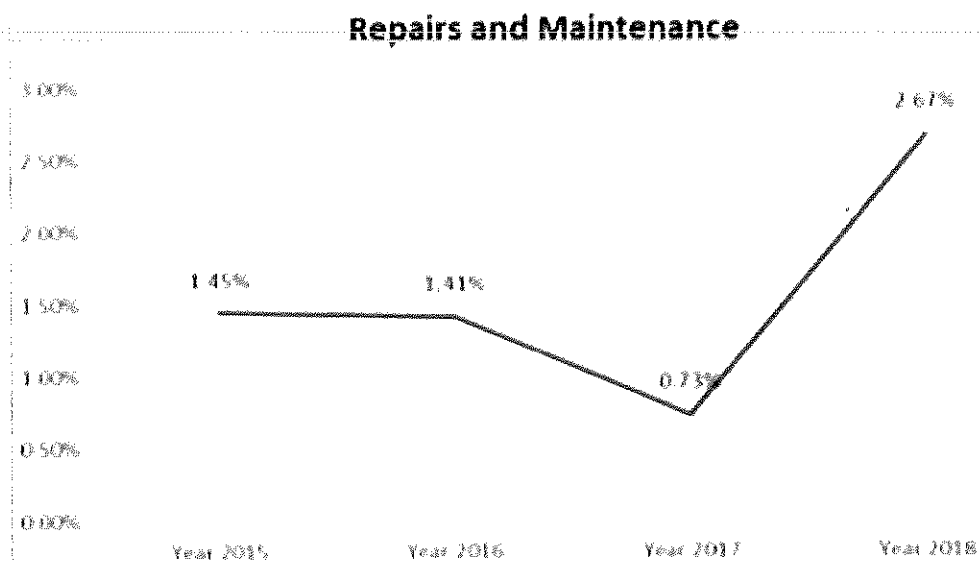
000	Year 2015	Year 2016	Year 2017	Year 2018
Employee Cost	29.62%	38.05%	31.39%	45.12%
Employee Cost	16359	19747	21481557	26412965
Operating Revenue	42990	49205	68425656	58533138



5.4.5 REPAIRS AND MAINTENANCE

Repairs and maintenance reflect a decrease in 2017/18 financial year, since the municipality spent 2.67% in repairs and maintenance costs as a percentage of total expenditure.

000	Year 2015	Year 2016	Year 2017	Year 2018
Repairs and Maintenance	1.45%	1.41%	0.73%	2.67%
Total Repairs	892	871	474028	1763239
Expenditure	61631	61631	64933941	66145702



COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

5.5 CAPITAL EXPENDITURE

The total capital budget for **2017/18** financial year was **R17 847 million**. During the adjustment budget, there is no increase in allocation.

Total capital expenditure the end of the year was **R17 847million**

Capital Expenditure Year 2017/18					
Capital Projects '000	Year 2017/18				
	Budget	Adjustment	Actual Expenditure	Variance from Total Project original budget Value	
Project A MIG	R11 845	R 11 845	R 11 845	100%	
Project B Nxamalala Sports field	R5847	R5847	R5847	54%	

Capital Expenditure - Funding Sources: 2017/2018					
Details					
	Original Budget	Adjustment Budget	Actual	Budget Variance (%)	
Source of finance					
External loans					
Public contributions and donations	3 000	3 000	1 151 655	62.26%	
Grants and subsidies	53 759 000	53 759 000	53 759 000	100%	
Total					
Percentage of finance					
External loans		0%	0%		
Public contributions and donations	0%	-%	-%		
Grants and subsidies	%	%	%		
Internal Generated Fund	%	%	%		
Capital expenditure					
Electrification	8000	8000	75908	949%	
Roads	11382	16382	11845000	72305%	
Total	19382	24382	11920908	48892%	
.....					
.....					
Electrification	41%	33%	1%		
Roads	59%	67%	99%		

5.6 SOURCES OF FINANCE

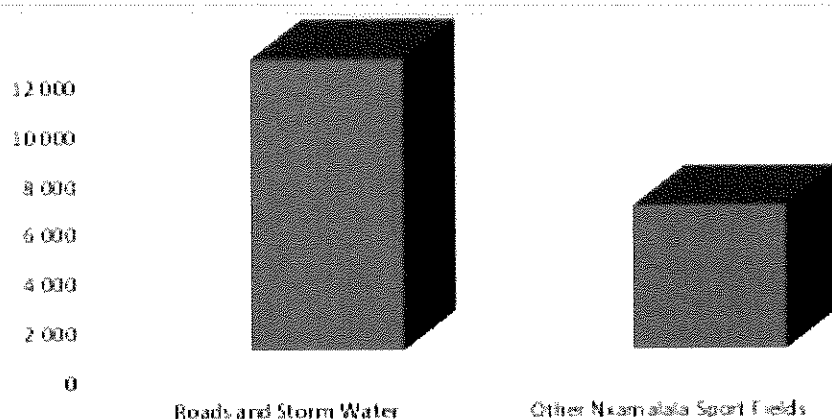
The capital expenditure funding source is commonly grants and subsidies Municipal Infrastructure Grant (MIG) and Integrated Electrification Grant (INEG) due to municipality's low income base.

Capital Expenditure -Funding Sources : Year 2017/2018

R '000

Details	original bud- get(OB)	Adjustment Bud- get	Actual	Adjustment to OB Variance(%)	Actual to OB Varl- ance (%)
External Loans					
Grants and Subsi- dies	17 692	17 692	17 692		
Total					
Percentage of Finance					
External Loans					
Grants and Subsi- dies					
Capital Expenditure					
Electricity					
Road and storm water	11 845	11 845	11 845		
Other (Nxamalala)	5 847	5 847	5 847		
Total	17 692	17 692	17 692		
Percentage of expenditure					
Electricity					
Road and storm water	100%	100%	100%		
Other(Nxamalala)	54%	54%	54%		

**Sources of Finance: Capital Expenditure
2017/18**



5.7. BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW

Introduction to back to basics

There were no backlogs reported during the financial year

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

5.8. CASH FLOW

A positive cash flow maintained throughout the financial year. Cash flow is monitored on a daily basis, the municipality also reduced significantly its debt, and there were no new borrowings in the financial year 2017/2018.				
Description	Year 2016/2017	Year 2017/2018		
	Actual	Original Adjustment Actual	Adjustment	Actual
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts				
Ratepayers and other	4 489 769	4 149 000	2 735 000	4 694 000
Government – operating	36 073 443	43 355 000	44 796 000	36 048 557
Government – capital	25 371 639	11 382 000	16 382 000	1 517 077
Interest	1410804	694000	694000	1051545
Dividends				
Other Receipts				
Payments				
Suppliers and employees	21 481 557	-45 997 000	-50 244 000	26 412 965
Finance charges	255997	-206000	-206000	207731
Transfers and Grants	61445082	-3 620 000	-3 071 000	51445082
NET CASH FROM/(USED) OPERATING ACTIVITIES		15 513	13 221	
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Proceeds on disposal of PPE				
Decrease (increase) in non-current debtors				
Decrease (increase) other non-current receivables				
Decrease (increase) in non-current investments				
Payments				
Capital assets	25 371 639	-11 412 000	-16 459 000	15 170 717
NET CASH FROM/(USED) INVESTING ACTIVITIES	-11 736	-12 063	-14 525	-17 736
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				-
Short term loans				
Borrowing long term/refinancing				
Increase (decrease) in consumer deposits				
Payments				
Repayment of borrowing		-549000	-549000	-603029
NET CASH FROM/(USED) FINANCING ACTIVITIES		-744	-498	
NET INCREASE/ (DECREASE) IN CASH HELD	()	2 706	-1 802	1007838
Cash/cash equivalents at the year begin:		7 660	4 634	3 272 850
Cash/cash equivalents at the yearend:		10 366	2 841	4 280 688

Cash flow management is crucial to any operation since it creates a culture of procuring goods and services as and when they are needed not to buy without a plan. It is for this reason that procurement plans are requested from all departments at a budget preparation stage to ensure that cash flow is aligned with the needs of respective departments.

During 2017/18 financial year, positive cash flow was maintained throughout the financial year. Cash flow is monitored daily, the municipality also reduced its debt as per financial institution arrangement, and there were no new borrowings in the financial year 2017/18.

The deteriorating debtor's collection had an effect on the cash flow from operating activities, this has resulted in a decrease in bank balance at the end of the financial year compared to the previous year.

5.9 BORROWING AND INVESTMENTS

During the 2017/18 financial year the Municipality did not make any borrowings, instead the municipality was servicing a loan which was taken in 2014/15 financial year and it's in the last year of servicing.

Actual Borrowings: Year -2014/15 to Year 2016/17			
	R' 000		
Instrument	Year -2014/15	Year -2015/16	Year -2016/17
Municipality			
Long-Term Loans (annuity/reducing balance)	3 000	0	0
Long-Term Loans (non-annuity)			
Local registered stock			
Instalment Credit			
Financial Leases	0	0	0
PPP liabilities			
Finance Granted By Cap Equipment Supplier			
Marketable Bonds			
Non-Marketable Bonds			
Bankers Acceptances			
Financial derivatives			
Other Securities			
Municipality Total	3 000	0	0

COMPONENT D: OTHER FINANCIAL MATTERS

5.10 SUPPLY CHAIN MANAGEMENT

The Municipality has a Supply Chain Management Unit in place, however the structure does not give effect to all six areas of SCM namely demand, acquisition, logistics, disposal and performance. The municipality has during 2017/18 implemented contract management; this was with the assistance of Provincial Treasury.

The Municipality had a fully functional Bid Committee System in place during the financial year. No Councilor is a member of any committee handling SCM processes. SCM officials have reached the required prescribed levels for their positions and there was one intern in the SCM unit studying Municipal Finance Management Programme.

The municipality has implemented supply chain management policies and other relevant prescripts including the regulations and all other policies in the Budget and Treasury office. These are submitted to council for review and adoption on annual basis.

5.11. GRAP COMPLIANCE

Impendle municipality has fully implemented the standards of Generally Recognized Accounting Practice and has reported in terms of these accounting standards for the year ended 2017/18. The Municipality is fully GRAP Compliant, GRAP is the acronym for Generally Recognized Accounting Practice and it provides the standards by which municipalities are required to account and report financial management.

Successful GRAP compliance will ensure that municipal accounts are comparable and more informative for the municipality.

CHAPTER 6 AUDITOR GENERAL AUDIT FINDINGS

COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS

2017/18

INTRODUCTION

The financial statements were audited by the Auditor-General in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA). The results are therefore included below.

6.1 AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS

AUDITOR GENERAL REPORTS YEAR (2017/18)

Auditor-General Report on Financial Performance: Year 2017/18	
Audit Report Status*:	Qualified
Non-Compliance Issues	Remedial Action to be Taken
Strategic planning and performance management	Audit findings which lead to a qualification were addressed as per the Audit action plan.
Annual financial statements and Performance Report	
Expenditure management	
Contract Management	
Financial and performance management	
T 6.2.1	

The Annual Performance Report was audited by the Auditor-General in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA). The results are therefore included below:

Auditor-General Report on Annual Performance: 2017/18

Auditor-General Report on Annual Performance - 2017/201	
Status of audit report:	Qualified
Non-Compliance Issues	Remedial Action Taken
Various indicators - Changes to targets not approved	Audit findings which lead to a qualification were addressed as per the Audit action plan
Various indicators - Performance indicators not well defined	
Achievement of planned targets	

COMPONENT B: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS

6.2 AUDITOR GENERAL REPORTS YEAR (2018/19)

Auditor-General Report on Financial Performance: Year 2018/19

Audit Report Status*:	Qualified
Non-Compliance Issues	Remedial Action to be Taken

Annual Financial Statements	All audit findings which lead to a qualified audit outcome will be addressed as per the attached Audit action plan.
Expenditure management	
Procurement and Contract Management	
Consequence Management	
Strategic planning and performance	

T 6.2.1

The Annual Performance Report was audited by the Auditor-General in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA). The results are therefore included below:

Auditor-General Report on Annual Performance: 2018/19

Auditor-General Report on Annual Performance - 2018/2019	
Status of audit report:	Qualified
Non-Compliance Issues	Remedial Action Taken
Various Indicators	All audit findings which lead to a qualification audit opinion will be addressed as per the attached Audit action plan.
Achievement of planned targets	

Below is an action plan to address all Auditor General findings as per the management report.

Management will be monitoring the implementation of the above plan in ensuring that all findings by Auditor-General as per management report for the financial year 30 June 2019 are addressed. Furthermore review of internal controls by management will be undertaken to ensure full compliance with all municipal finance prescripts.

COMMENTS ON MFMA SECTION 71 RESPONSIBILITIES:

Section 71 of the MFMA requires municipalities to return a series of financial performance data to the National Treasury at specified intervals throughout the year. The Chief Financial Officer states that these data sets have been returned according to the reporting requirements.

Signed (Chief Financial Officer) Mr. NS Mkhize

6.2 2018/19 AUDITOR GENERAL REPORT ATTACHED AS ANNEXURE "A"

ANNEXURE “A”

Report of the auditor-general to the KwaZulu-Natal Provincial Legislature and council on Impendle Municipality

Report on the audit of the financial statements

Qualified opinion

1. I have audited the financial statements of the Impendle Municipality set out on pages x to x, which comprise the statement of financial position as at 30 June 2019, the statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, except for the effects of the matters described in the basis for qualified opinion section of this auditor's report, the financial statements present fairly, in all material respects, the financial position of the Impendle Municipality as at 30 June 2019, and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2018 (Act No. 1 of 2018) (Dora).

Basis for qualified opinion

Property, plant and equipment – infrastructure assets

3. The municipality did not recognise property, plant and equipment in accordance with GRAP 17, *Property, plant and equipment*. Costs that were not directly attributable to the asset were incorrectly included in completed assets. I was unable to determine the full extent of the misstatement of infrastructure assets stated at R43,52 million (2017-18: R30,1 million) in note 10 to the financial statements as it was impractical to do so. Additionally, there was an impact on the surplus for the period and on the accumulated surplus.

Context for the opinion

4. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of this auditor's report.
5. I am independent of the municipality in accordance with sections 290 and 291 of the International Ethics Standards Board for Accountants' *Code of ethics for professional accountants* and, parts 1 and 3 of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA codes) as well as the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA codes.

6. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of matter

7. I draw attention to the matter below. My opinion is not modified in respect of this matter.

Restatement of corresponding figures

8. As disclosed in note 37 to the financial statements, the corresponding figures for 30 June 2018 were restated as a result of errors in the financial statements of the municipality at, and for the year ended 30 June 2019.

Other matter

9. I draw attention to the matter below. My opinion is not modified in respect of this matter.

Unaudited disclosure notes

10. In terms of section 125(2)(e) of the MFMA, the municipality is required to disclose particulars of non-compliance with the MFMA in the financial statements. This disclosure requirement did not form part of the audit of the financial statements and, accordingly, I do not express an opinion on it.

Responsibilities of the accounting officer for the financial statements

11. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with SA Standards of GRAP and the requirements of the MFMA and DoRA, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
12. In preparing the financial statements, the accounting officer is responsible for assessing the Impendle Municipality's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

Auditor-general's responsibilities for the audit of the financial statements

13. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
14. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Introduction and scope

15. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report material findings on the reported performance information against predetermined objectives for the selected development priority presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.
16. My procedures address the reported performance information, which must be based on the approved performance planning documents of the municipality. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
17. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the development priority – service delivery presented on pages xx – xx in the annual performance report of the municipality for the year ended 30 June 2019:
18. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
19. The material findings in respect of the usefulness and reliability of the selected development priority are as follows:

Various indicators

20. I was unable to obtain sufficient appropriate audit evidence to support the reported achievements of the following indicators. This was due to a lack of technical indicator descriptions, formal standard operating procedures and proper performance management systems and processes that predetermined how the achievement would be measured, monitored and reported. I was unable to confirm the reported achievement of the indicators by alternative means. Consequently, I was unable to determine whether any adjustments were required to the achievements as reported in the annual performance report.

Indicator description	Reported achievement
No. of municipal infrastructure maintained	2
Cleaning of drains and verge monthly	12 months

Other matters

21. I draw attention to the matters below.

Achievement of planned targets

22. Refer to the annual performance report on pages ... to ... for information on the achievement of planned targets for the year. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information in paragraph 20 of this report.

Adjustment of material misstatements

23. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of the service delivery development priority. As management subsequently corrected only some of the misstatements, I raised material findings on the usefulness and reliability of the reported performance information. Those that were not corrected are reported above.

Report on the audit of compliance with legislation

Introduction and scope

24. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the compliance of the municipality with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.

25. The material findings on compliance with specific matters in key legislations are as follows:

Annual financial statements

26. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements of assets, commitments and expenditure were identified by the auditors in the submitted financial statements were subsequently corrected and the supporting records were provided subsequently, but the uncorrected material misstatements and supporting records that could not be provided resulted in the financial statements receiving a qualified audit opinion.

Expenditure management

27. Reasonable steps were not taken to prevent irregular expenditure amounting to R4,23 million as disclosed in note 41 to the annual financial statements, as required by section 62(1)(d) of the MFMA.

Procurement and contract management

28. Bid documentation for procurement of commodities designated for local content and production, did not stipulate the minimum threshold for local production and content as required by the 2017 preferential procurement regulation 8(2). Similar non-compliance was also reported in the prior year.

29. Some of the goods and services with a transaction value of below R200 000 were procured without obtaining the required price quotations, in contravention of SCM regulation 17(a) and (c).

Consequent management

30. Irregular expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA.

Strategic planning and performance

31. The performance management system and related controls were inadequate as it did not describe how the performance planning and measurement processes should be conducted, as required by municipal planning and performance management regulation 7(1).

Other information

32. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and those selected development priorities presented in the annual performance report that have been specifically reported in this auditor's report.
33. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.
34. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected development priorities presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
35. If based on the work I have performed, I conclude that there is a material misstatement in this other information, I am required to report that fact. I have nothing to report in this regard.

Internal control deficiencies

36. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in basis for qualified opinion, the findings on the performance report and the findings on compliance with legislation included in this report.
37. Leadership did not implement effective controls to ensure accurate financial reporting nor did they exercise adequate oversight responsibility over compliance with applicable legislation.

38. Management did not implement proper record keeping in a timely manner to ensure that complete, relevant and accurate information is accessible and available to support financial and performance reporting.

Auditor - General

Pietermaritzburg

18 December 2019



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure – Auditor-general's responsibility for the audit

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements, and the procedures performed on reported performance information for selected development priorities and on the municipality's compliance with respect to the selected subject matters.

Financial statements

2. In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:
 - identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
 - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality's internal control
 - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer.
 - conclude on the appropriateness of the accounting officer's use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Impendle Municipality's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a municipality to cease continuing as a going concern
 - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

Communication with those charged with governance

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and, where applicable, related safeguards.

6.3 AUDIT ACTION PLAN

ATTACHED AS ANNEXURE “B”

ANNEXURE “B”

Finding No.	Finding Heading	Finding Description	Recurring Issue (Y/N)	Corrective Actions	Responsible Official	Due Date	Status
AUDIT ACTION PLAN- AG REPORT							
1	Costs capitalised to Mafahleni road not supported by adequate evidence	During the audit of infrastructure assets, it was not that the costs recorded in the fixed asset register relating to Mafahleni Road amounted to R 18 952 797 as at 30 June 2019. During the 2017/18 reporting period, the municipality appointed a consultant (Black Mountain Consulting Engineering (Pty) Ltd) to provide a valuation report of immovable assets for the year ended 30 June 2018.	Y	BI Consultants are waiting for lab results to conclude the re-assessment of mafahleni road cost.	CFO		
2	Irregular expenditure incurred by the municipality was not properly investigated	During the audit of consequence management, the following matter was identified: investigations into irregular expenditure amounting to R3 025 792 as disclosed in note 43 of the annual financial statements was not properly conducted.	Y	Investigation will be conducted for irregular expenditure in compliance with section 32 of the MFMA.	MM		
3	Performance indicators not well defined	The following indicators are not well defined: - No. of Municipal infrastructure maintained. - Cleaning of drains and verge monthly.	Y	Management will ensure that performance measures/ indicators are well defined prior approval of strategic plan and annual performance plan and that the technical indicator descriptions will be reviewed as per the AG-SA's recommendations.	PMSM		

4	Performance indicators are not verifiable	The following indicators are not verifiable: - No. of Municipal infrastructure maintained. - Cleaning of drains and verge monthly.	Y	Management will review the technical indicator descriptions to ensure that performance indicators are verifiable.	PMSM	
5	Local Production and content	The specification for the following quotations did not specify the minimum threshold for local production and content and the winning providers did not provide a declaration on local production and content. ILM/SCM/Quotation/02/2019- Supply of uniform ILM/SCM/Quotation/03/2019- Supply of security ILM/SCM/Quotation/03/2019- Supply and delivery of protective clothing	N	This will be included in the evaluation stage and also in the evaluation report its will be a sub-topic to ensure it is monitored before appointment is concluded.	CFO	
6	Written quotations	During the audit of the undermentioned purchase orders it was noted that only one quotation was obtained and upon further inspection it was confirmed that no reasons were recorded and approved by the Chief Financial Officer or a delegated official before the award was made as per the MSCM regulation.	Y	We note the finding by AG, both of the payments will be recorded as such in the irregular expenditure report. The SCM accountant will ensure that in future no orders will be issued where there are no three quotations sourced from prospective service providers. This is now addressed.	CFO	
7	Material misstatements in annual statements submitted for audit	The financial statements submitted for audit were not accurate as they were not prepared in all material respects in accordance with the MFMA. Material misstatements of assets, commitments, contingent liabilities and expenditure were identified by auditors in the	Y	?	CFO	

8	Non-compliance with reporting guidelines	During the audit of the annual performance report for 2018/19 it was noted that there were changes made to the performance indicators and targets as follows, however the annual performance report was only on the amended indicators.	N	?	PMSM		
9	Property, Plant and Equipment	The opening balances for the following categories of property, plant and equipment do not agree to the prior year audited financial statements....	Y	The finding was resolved and agreed with the Auditor.	CFO		
10	Submission of details for new banks accounts	During the audit of cash and cash equivalents as disclosed in note 8 of the AFS, it was established that the details of the following bank accounts in the name of the municipality was not submitted to the relevant provincial treasury and the Auditor General in writing.	N	Management will ensure compliance with MFMA requirements is tracked and monitored.	CFO		
11	Cash flow workings	During the audit of the cash flow statement for the year ended 30 June 2019, the following differences have been identified during the recalculation:...	N	Cash flow will be adjusted and corrected in the final AFS.	CFO		
12	Non-compliance with travel and subsistence Policy	During the audit of travel allowances disclosed in note 25(employee related costs) of the annual financial statements, it was identified that the municipal manager or delegated person did not sign the following travel allowance claim form: PP Gcaba R 4 808,	Y	Going forward the municipality will apply the reviewed and amended policy.	CCSM		

13	Review of access controls	During the understanding of IT internal controls, it was noted that the quarterly reviews of user access to the system were not performed in accordance with paragraph one of the user account management policy.	Y	The ICT steering committee has taken a resolution the access to systems with permission will be a standing item in the meetings. ICTSC has also tasked that CFO, SICTO who will be conducting independent reviews with the system vendors on sage/payday for BTO.	MM, CFO, CCS, CCG & SICTO		
14	No documented and approved processes in place to manage masterfile amendments relating to payroll	During the audit of employee costs, it was noted that formally documented and approved masterfile amendments policies and procedures were not in place to detail the process that should be followed when amendments are made to the payroll masterfile.	N	Systems other than the Masterfile are in place to ensure that there are no fictitious employees. We have systems in place within payroll that ensures that new engagements and people leaving the employ of the municipality are captured and documented. Information was extracted from payroll by HR which shows that there are fictitious employees. An audit trail can be retrieved only by the IT	CCSM		
15	Audit Committee did not submit an audit report on the review of performance management system to the council at least twice during a financial year	During the understanding of the audit committee and through inspection of the audit committee report submitted to the Council, it was noted that the audit committee only submitted one report to the Council regarding the performance management system.	N	The AC will prepare quarterly reports every quarter that include performance management system, get the dates of the Council meetings, and ensure that reports are presented to Council in compliance with the regulations.	AC Chairperson		

16	Road maintenance plan not developed and approved	During the compliance test of roads infrastructure the following non-compliance was identified: The municipality did not develop and approve a road maintenance plan....	Y	The maintenance plan and policy have been drafted for 2019/20 financial year.	IPSM		
17	Inaccurate and incomplete disclosure of investment property in the notes to the annual financial statements	During the audit of investment property, the following inaccurate and incomplete disclosure was noted in note 9 of the annual financial statements:	N	?	CFO		
18	No reconciliations prepared for property, plant and equipment	During the walkthrough of property, plant and equipment, it was established through enquiry with the chief financial officer that an annual reconciliation is prepared by the assets officer reconciling the general ledger to the fixed asset register, contrary to the above, an annual and monthly reconciliations agreeing the general ledger to the fixed asset register were not prepared.	N	The reconciliation will be conducted on the quarterly basis.	CFO		
19	Inaccurate depreciation	During the audit of depreciation for property, plant and equipment disclosed in note 10 of the annual financial statements, the following assets were recalculated and found to be inaccurate:...	N	The FAR has been adjusted and shared with Auditors for concurrence.	CFO		

20	Missing asset identified during physical asset verification	During the physical asset verification, the following asset could not be physical verified as the asset was stolen during the financial year: TLB Front Loader Tractor.	N	The case theft was opened with SAPS and pending this particular case conclusion the assets will not be verifiable. The municipality undertook the verification process and was concluded as a result the outcome of the investigation will determine whether to write the asset of or not.	CFO		
21	Useful lives of intangible assets not assessed in accordance with GRAP 31	During the audit of intangible assets disclosed in note 11 of the annual financial statements (AFS), it was noted that there are assets with a carrying value of one rand recorded in the fixed asset register. The lack of review of useful lives has resulted in 3 assets with a cost price of R469 826 currently in use being recognised at R1 value in the fixed asset register.	N	Useful lives has been re-assessed for compliance with GRAP.	CFO		
22	Useful lives of property, plant and equipment of assessed in accordance with GRAP 17	During the audit of property plant and equipment disclosed in note 10 of the annual financial statements (AFS), it was noted that there are assets with no carrying value and a value of R1 recorded in the fixed asset register. The lack of review of useful lives has resulted in 1374 assets with a cost price of R1 848 401 currently in use being recognised in the fixed asset register.	N	Useful lives has been re-assessed for compliance with GRAP, and this has been address in the latest FAR, unless the asset was included in the disposals.	CFO		
23	Carrying amount disclosed for assets disposed is inaccurate	During the audit of disposals of property, plant and equipment, the following discrepancy was identified:...	N	This will be corrected in the Final AFS's.	CFO		

24	Amount per payslips do not agree to the grant schedule: library grant	During the audit of government grants and subsidies disclosed in note 24 of the annual financial statements (AFS), it was noted the amount per the June payslips for employees who are paid from the Library grant did not agree to the grant schedule. Below is summary of the difference identified:...	N	Correction will be included in the final AFS.	CFO	
25	No approved procurement plan	It was established that no procurement plan exists for the financial period under review and that there is no evidence that a procurement plan was submitted to Provincial Treasury.	N	The municipality has formulated a plan to rectify the submission of procurement plans with Provincial Treasury SCM department, this will be monitored by PT on the quarterly basis.	CFO	
26	Prohibition on awards to persons in the service of the state	During the audit of procurement and contract management, it was established by means of the use of computerised assisted audit techniques that the of the following suppliers were in the service of the state.	N	As a municipality we do not have database where we can verify if suppliers are in the service of state, we rely on the MBD4 declaration and we verify that information through Central supplier database.	CFO	

27	Open-ended (evergreen) contracts	The following serve as example of open-ended/evergreen contracts identified during the audit: -Licence HR software -Provision of security services	N	The municipality is in the process of developing a contract management policy and contract management procedure manual which will assist in terms of management of contracts. We acknowledge the concerns on the above matter, the municipality will send out letters to the above mentioned service providers to inform them about the termination dates of their contracts.	CFO		
28	Public invitation for competitive bidding	During the audit of SCM competitive bids for long-term contracts it was noted that the following bids were advertised on the Tender systems only, and hence the manner in which it was advertised limited competition and resulted in a small pool of bidders. -Indwe Risk Services - Adventure Travel	Y	Management will take reasonable steps to avoid re-occurrence of this finding, SCM has now created a compliance checklist during 2019.	CFO		
29	Expired contracts	During the audit of procurement and contract management, it was discovered that the undermentioned contracts had expired and there was no justifiable approval by the council to continue with the use of these contracts, However the municipality continued to conduct business with the following suppliers: - Konika Minolta and Websmart.	N	The expenditure has been added on the irregular expenditure disclosure. Management will ensure contract management is improved.	CFO		

30	Competitive bidding anomaly	During the audit of competitive bid no. ILM/SCM/06/2018/07 for the construction of Forever gravel road, it was noted that the tender box was opened before the closure date and bids were evaluated before the closing date. This will be unfair to suppliers who submitted their bid documents as per the advert closure and therefore expenditure incurred on the tender should be disclosed as irregular expenditure.	N	Municipality has a panel of contractors who were all involved on the site briefing of the tender, register for submission of tender was given to the Auditor, and since no one objected for being close out, this therefore cannot be recognised as irregular. The panel has since been added to improve competitiveness on bidding.	CFO	
31	Prohibition on awards to persons whose tax matters are not in order	During the audit of procurement and contract management, it was established that the municipality appointed the following panel of contractors for infrastructure projects (roads, buildings and sportsfield), however their tax matters were not in order when they were appointed to the panel..	N	Companies were registered in the central supplier database but in when they were appointed for the project the supplier were checked whether they are tax compliant of which they were tax compliant.	CFO	
32	Missing supporting documentation for the application of indigent debtors	During the audit of receivables from non-exchange transactions as disclosed in note 5 of the AFS, the following indigent debtors did not provide all documentation as required above, and hence one could not confirm that these were legitimate indigent consumers....	Y	Indigent registration and verification will be strengthened going forward and the information will be made available by management.	CCSM	

APPENDICES

APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

ATTENDANCE : COUNCILLORS : IMPENDLE LOCAL MUNICIPAL COUNCIL MEETINGS : JULY 2018 – JUNE 2019

TOTAL NUMBER OF MEETINGS HELD FOR THE PERIOD JULY 2018 – JUNE 2019

		JUL	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	Mar	Apr	MAY	JUN
% ATT	NAME	Ordinary	Ordinary	Ordinary	Ordinary	Ordinary	Ordinary	Ordinary	Ordinary	Ordinary	Ordinary	Ordinary	Ordinary
	Cllr SG Ndlela	✓	✓	✓	Commitment	✓	✓	✓	✓	✓	✓	✓	✓
	Cllr RT Memela	✓	Commitment	Commitment	Commitment	✓	Commitment	✓	✓	✓	✓	✓	✓
	Cllr PP Mtolo	✓	✓	✓	✓	Commitment	Commitment	Commitment	✓	✓	✓	✓	✓
	Cllr DS Dlamini	✓	✓	✓	✓	Commitment	✓	✓	✓	Commitment	✓	✓	Commitment
	Cllr GN Mvelase	Commitment	✓	Commitment	✓	✓	✓	✓	✓	✓	✓	✓	Commitment
	Cllr KM Dlamini	Commitment	✓	Commitment	Commitment	✓	✓	Commitment	✓	✓	✓	✓	✓
	Cllr NM Ngubane	✓	✓	✓	✓	Commitment	✓	✓	✓	Commitment	✓	✓	Commitment

2018 TOTAL NUMBER OF MEETINGS HELD FOR THE PERIOD JULY 2017 – JUNE 2018

APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

Committees (other than Mayoral Committee) and Purposes of Committees

Mayoral Committee	Purpose of Committee
Oversight & Public Accounts	Monitor financial governance of the municipality;
	Oversight over the annual reports of the municipality;
	Monitor expenditure in terms of budget allocations against agreed service delivery and performance targets and hold executive and senior managers accountable for their performance in line with priorities of the municipality
Public Places and Street Naming	The process for the control and regulation of the naming and renaming of geographical features in Impendle Metropolitan and to keep and maintain the names bank, which is a database consisting of existing geographical names within the municipal area.
Remunerations	Deal with matters of remunerations and benefits payable to
	employees and councillors; set guidelines for an equitable and
	fair procedure for the determination of salaries / wages of
	employees and act in line with the guidelines and procedures provided by SALGA and the Bargaining Council on salaries / wages of employees.
Rules	Develop and administer the implementation of Standing Rules and Orders for the entire operations of Council; monitor municipality's adherence and compliance to national and provincial legislation and regulation.

Budget Steering Committee	Oversee the drafting and development of the municipal budget and full compliance to MFMA provisions
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APPENDIX C –THIRD TIER ADMINISTRATIVE STRUCTURE

Third Tier Administration Structure	
Department	Manager
Executive Department	Mr. ZC Tshabalala
Finance Department	Mr. NS Mkhize
Corporate and Community Services	Mr. GS Ngcobo
Infrastructure and Planning Services	Mr. SL Mkhize

APPENDIX D – FUNCTIONS OF MUNICIPALITY / ENTITY

Municipal Functions	Function Applicable to Municipality (Yes/No)*
Constitution Schedule 4, Part B Functions:	
Air pollution	NO
Building regulations	YES
Child care facilities	NO
Electricity and gas reticulation	NO
Firefighting services	NO
Local tourism	YES
Municipal airports	NO
Municipal planning	YES
Municipal health services	YES
Municipal public transport	YES
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under the Constitution of any other	YES
Pontoons, ferries, jetties, piers, and harbors, excluding the regulation of international and national shipping and matters related	NO
Stormwater management systems in built-up area	YES
Trading regulations	YES
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	
Beaches and amusement facilities	NO
Billboards and the display of advertisements in public places	YES
Cemeteries, funeral parlours and crematoria	YES
Cleansing	YES
Control of public nuisances	YES
Control of undertakings that sell liquor to the public	Yes
Facilities for the accommodation and burial of animals	
Fencing and fences	YES
Licensing of dogs	YES
Licensing and control of undertakings that sell food to the public	YES
Local amenities	YES
Local sport facilities	YES
Markets	YES
Municipal abattoirs	NO
Municipal parks and recreation	YES
Municipal roads	Yes (Maintenance)

Noise pollution	YES
Pounds	YES
Public places	YES
Refuse removal, refuse dumps and solid waste disposal	Yes
Street trading	YES
Street lighting	YES
Traffic and parking	YES
*If municipality indicate (Yes or No).	

APPENDIX E – WARD REPORTING July 2018-June 2019

APPENDIX E – WARD REPORTING					
Ward Committee Functionality	Name of Ward Councilor and elected Ward committee members	Committee established (Yes / No)	NO. of monthly committee meetings held during the year	No. of monthly reports submitted to Speaker's Office on time	No. of quarterly public ward meetings held during the year
1	ClIr RT Memela	Yes	12	12	19 Meetings
	MNIKATHI SIBANGANI				
	NDLOVU BUYISILE				
	MBOKAZI WINNIE				
	DLAMINI MPILONHLE				
	NKOMO GUGULETHU				
	DLAMINI THOBILE				
	NDINGI BHEKIFA				
	NDINGI SABELO				
	MAZEKA SBONGILE				
	DLAMINI BERNARD				
2	ClIr PP Mtolo	Yes	12	12	16 Meetings
	SHANGE ZANI				
	NKALA KHUPHUKILE				
	MAKHAYE LINDIWE				
	LUSU JEOFRY				
	HLOMBE SIBUSISO				
	HLOPHE BONGANI				
	MJWARA MICHAEL				
	BHENGU GCINANI				
	DUMA FISUKWAZI				
	MNDAWENI PROTA				
3	ClIr DS Dlamini	Yes	12	12	15 Meetings
	ZUMA THANDI				
	MAKHOBHA SIPHO				
	DUMA BONGINKOSI				
	MADLALA SANELISWE				
	ZWANE SIPHO				
	NXELE BEATRICE				
	MWELI THEMBELIHLE				

	MADLALA NOBUHLE				
	DUMA BONGANI				
4	Cllr SG Ndlela	Yes	12	12	09 Meetings
	MKHIZE SIYABONGA				
	NDLOVU SIBUSISO				
	MLOTSHWA THULULENI				
	NZIMANDE NONHLANHLA				
	BUTHELEZI HAPPYNESS				
	PHUNGULA LINDIWE				
	DLAMINI BUSISIWE				
	NGUBANE KHAMBISILE				
	MKHIZE MICHEAL				
	MNCWABE BRIAN				

APPENDIX F – WARD INFORMATION

No	Project Name and Detail	Start Date	End Date	Project Cost
1	Makholweni / Madwaleni Road	10 January 2018	10 April 2018	R 1 630 963.99
2	Ntokozweni Road	28 March 2018	04 July 2018	R 1 132 668.96
3	Ntuthuko road	12 February 2018	12 May 2018	R 1 043 563.41
4	Nxamalala Sportfield	06 March 2017	To be reviewed	R 3 249 809.45
5	Wozobona Road	10 January 2018	10 April 2018	R 1 186 006.86
6	Mecksam Road	04 January 2018	04 April 2018	R 548 961.60
7	VB Road	28 March 2018	04 July 2018	R 1 541 401.06
8	Maromeni Road	28 March 2018	04 July 2018	R 1 085 070.31
9	Ekukhanyeni Road	28 March 2018	04 July 2018	R 1 745 540.22

Top Two Service Delivery Priorities for Ward (Highest Priority First)		
FOCUS AREA	IMPLEMENTING DEPARTMENT	BUDGET
Re-graveling and upgrading of Access Roads	Technical department	R11,658,350.00
Construction of Sports field	Technical Services	R6,894,724.28

APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE 2018/19 FOR THE PERIOD 01 JULY 2018 TO 30 JUNE 2019

Audit Committee Recommendation		
Date of Meeting	Audit Committee Recommendation	Recommendation Adopted (Yes/No)
	06 JULY 2018 MEETING	
8.1/06.07.2018	Title: AUDIT COMMITTEE RESOLUTION REGISTER OF 2017/2018. The Audit Committee resolved that: a) THAT the AC notes the Audit Committee Resolution Register of 2017/2018 subject to the following amendments: b) Resolution Register should include the following headings: mitigation factors if resolutions not implemented should be clearly stated, progress, and implementation.	Yes
8.2/06.07.2018	Title: PROGRESS ON THE ANNUAL INTERNAL AUDIT PLAN FOR QUARTER THREE OF 2017/2018.	Yes

	The Audit Committee resolved that: a) That the AC notes the progress made implementation of the Annual Internal Audit Plan for Quarter three of 2017/2018.	
8.3/06.07.2018	<u>Title: AUDIT ACTION PLAN FOR QUARTER THREE OF 2017/2018</u> The Audit Committee resolved that: a) That the AC notes the progress made implementation of the Audit Action Plan for Quarter three of 2017/2018.	Yes
9.1/06.07.2018	<u>Title: Section 71 Reports</u> The Audit Committee resolved that: a) That AC notes the Section 71 reports.	Yes
9.2/06.07.2018	<u>Title: Approved Budget</u> The Audit Committee resolved that: a) That AC notes the approved 2018/2019 budget.	Yes
9.3/06.07.2018	<u>Title: Fleet Management Policy</u> The Audit Committee resolved that: a) That AC notes the Fleet Management Policy. b) That the amended policy be tabled in the next AC meeting	No
10.1/06.07.2018	<u>Title: PERFORMANCE MANAGEMENT SYSTEM FOR QUARTER TWO OF 2017/2018.</u> The Audit Committee resolved that: a) That the AC notes the Performance Management System for Quarter Two of 2017/2018.	Yes
10.2/06.07.2018	<u>Title: PERFORMANCE MANAGEMENT SYSTEM FOR QUARTER THREE OF 2017/2018.</u> The Audit Committee resolved that: a) That the AC notes the Performance Management System for Quarter Three of 2017/2018.	Yes
	22 AUGUST 2018 MEETING	
10.1/22.08.2018	<u>Title: Draft Annual Performance Report for 2017/2018</u> The Audit Committee resolved that: a) That AC notes the Draft Annual Performance Report for 2017/2018. b) THAT the Final Draft Annual Performance Report for 2017/2018 be amended and be presented on 28 August 2018.	Yes
10.2/22.08.2018	<u>Title: Progress Report on the 2017/2018 Draft Annual Report</u> The Audit Committee resolved that: a) That AC notes the 2017/2018 Draft Annual Report	Yes
11.1/22.08.2018	<u>Title: Performance Management System for Quarter Four of 2017/2018.</u>	Yes

	The Audit Committee resolved that: a) That the AC notes the Performance Management System for Quarter Four of 2017/2018.	
	28 AUGUST 2018 MEETING	
9.1/28.08.2018	<u>Title: Annual Financial Statements for the year ended 30 June 2018.</u> The Audit Committee resolved that: a) THAT the AFS be amended to incorporate all issues raised by Internal Audit, Audit Committee, Provincial Treasury and Auditor-General.	Yes
9.2/28.08.2018	<u>Title: 2017/18 Draft Annual Performance Report</u> The Audit Committee resolved that: a) That the AC notes the 2017/18 Draft Annual Performance Report.	Yes
9.1/31.10.2018	<u>Title: 2018-2019 Audit Committee Charter</u> The Audit Committee resolved that: a) THAT AC approves the 2018-2019 Audit Committee Charter with amendments. b) THAT the 2018-2019 Audit Committee Charter be submitted to Council for adoption.	Yes
9.2/31.10.2018	<u>Title: 2018-2019 Internal Audit Charter</u> The Audit Committee resolved that: c) THAT AC approves the 2018-2019 Internal Audit Charter with amendments. d) THAT the 2018-2019 Audit Committee Charter be submitted to Council for adoption.	Yes
9.3/31.10.2018	<u>Title: 2018-2019 Fraud and Corruption Strategy</u> The Audit Committee resolved that: b) THAT AC notes the 2018-2019 Fraud and Corruption Strategy with amendments. c) THAT the 2018-2019 Fraud and Corruption Strategy be submitted to Council for adoption. d) THAT Fraud and Corruption Prevention Plan be prepared and be tabled in the next AC meeting.	Yes
9.4/31.10.2018	<u>Title: 2018-2019 Risk Management Strategy</u> The Audit Committee resolved that: b) THAT AC notes the 2018-2019 Risk Management Strategy with amendments. c) THAT the 2018-2019 Risk Management Strategy be submitted to Council for adoption.	Yes
9.5/31.10.2018	<u>Title: 2018-2019 Whistle Blowers Policy</u> The Audit Committee resolved that: a) THAT AC notes the 2018-2019 Whistle Blowers Policy. b) THAT the 2018-2019 Whistle Blowers Policy be submitted to Council for adoption.	Yes

9.6/31.10.2018	<u>Title: Fleet Management Policy</u> The Audit Committee resolved that: a) THAT AC notes the Fleet Management Policy. b) THAT the 2018-2019 Fleet Management Policy be submitted to Council for adoption.	No
9.7/31.10.2018	<u>Title: 2018-2019 Performance Management System Framework</u> The Audit Committee resolved that: a) THAT AC notes the 2018-2019 Performance Management System Framework.	Yes
10.1/31.10.2018	<u>Title: Performance Management System for Quarter One of 2018/2019.</u> The Audit Committee resolved that: a) That the AC notes the Performance Management System for Quarter One of 2018/2019.	Yes
18 DECEMBER 2018 MEETING		
8.1/18.12.2018	<u>Title: Audit Committee Resolution Register of 2018/2019.</u> The Audit Committee resolved that: c) THAT the AC notes the Audit Committee Resolution Register of 2018/2019. d) THAT the Fleet Management Policy would be submitted to Council.	Yes No
8.2/18.12.2018	<u>Title: Progress on the Internal Audit Annual Plan for Quarter two of 2018/2019</u> The Audit Committee resolved that: e) THAT the AC notes the progress made on the implementation of the Internal Audit Annual Plan for quarter two of 2018/2019.	Yes
8.3/18.12.2018	<u>Title: Audit Action Plan for Quarter one of 2018/2019</u> The Audit Committee resolved that: e) THAT the AC notes the progress made on the implementation of the Audit Action Plan for quarter one of 2018/2019.	Yes
8.4/18.12.2018	<u>Title: Risk Management Report for 2018/2019</u> The Audit Committee resolved that: d) THAT the AC notes the Risk Management Report for quarter one of 2018/2019.	Yes
9.1/18.12.2018	<u>Title: Fraud and Corruption Prevention Plan for 2018/2019</u> The Audit Committee resolved that: c) THAT AC notes the Fraud and Corruption Prevention Plan for 2018/2019 be considered in the next AC meeting.	Yes
9.2/18.12.2018	<u>Title: Performance Assessment for Quarter one of 2018/2019</u> The Audit Committee resolved that: THAT AC notes the Performance Assessment for Quarter one of 2018/2019.	Yes

9.3/18.12.2018	Title: Auditor General Audit Report for 2017/2018 The Audit Committee resolved that: b) THAT AC notes Auditor General Audit Report for 2017/2018.	Yes
10.1/18.12.2018	Title: Follow up on Recruitment and Selection Report of 2018/2019. The Audit Committee resolved that: b) That the AC notes follow up on Recruitment and Selection Report of 2018/2019.	Yes
	23 JANUARY 2019 MEETING	
9.1/23/01/2019	Title: Mid -Year Budget and Performance Assessment for 2018/19. The Audit Committee resolved that: e) THAT the AC notes the Mid -Year Budget and Performance Assessment for 2018/19.	Yes
9.2/23/01/2019	Title: Draft Annual Report for 2018/19 The Audit Committee resolved that: f) THAT the AC notes the Draft Annual Report for 2018/19. g) THAT the AC would e-mail the comments for Draft Annual Report for 2018/19 to the PMSM.	Yes
	07 MAY 2019 MEETING	Yes
8.1/07.05.2019	Title: Audit Committee Resolution Register for Quarter three of 2018/2019. The Audit Committee resolved that: f) THAT the AC notes the Audit Committee Resolution Register for Quarter three of 2018/2019.	Yes
8.2/07.05.2019	Title: Progress on the Internal Audit Annual Plan for Quarter three of 2018/2019 The Audit Committee resolved that: h) THAT the AC notes the progress made on the implementation of the Internal Audit Annual Plan for quarter three of 2018/2019.	Yes
8.3/07.05.2019	Title: Audit Action Plan for Quarter three of 2018/2019 The Audit Committee resolved that: f) THAT the AC notes the progress made on the implementation of the Audit Action Plan for quarter three of 2018/2019.	Yes
8.4/07.05.2019	Title: Risk Management Report for quarter three 2018/2019 The Audit Committee resolved that: e) THAT the AC notes the Risk Management Report for quarter three of 2018/2019.	Yes
9.1/07.05.2019	Title: Draft Annual Budget for 2019/2020 The Audit Committee resolved that: d) THAT AC notes the Draft Annual Budget for 2019/2020.	Yes
10.1/07.05.2019	Title: Performance Management for quarter two of 2019/2020 The Audit Committee resolved that: a) That the AC notes Performance Management for quarter two of 2019/2020.	Yes
10.2/07.05.2019	Title: Supply Chain Management for 2018/2019	Yes

	The Audit Committee resolved that: c) That the AC notes the Supply Chain Management for 2018/2019.	
	28 JUNE 2019 MEETING	
7.19(a)/28.06.2019	Title: <u>MATTERS ARISING- Risk Management Report</u> The Audit Committee resolved that: a) That the Risk Management Report should be a standing item on MANCO agenda, the seating of AC member was specifically for the Risk Committee.	Yes
7.1(b)/28.06.2019	Title: <u>MATTERS ARISING- Fleet Management Policy</u> The Audit Committee resolved that: a) THAT the Municipality mend the two policies with inputs from SALGA and CoGTA to customize and generate one Municipal Fleet Management Policy that would be presented to AC and then be submitted to Council for approval.	No
8.1/28.06.2019	Title: <u>Audit Committee Resolutions Register for Quarter four of 2018/2019.</u> The Audit Committee resolved that: a) THAT the AC notes the Audit Committee Resolutions Register for Quarter four of 2018/2019.	Yes
8.2/28.06.2019	Title: <u>Progress on the Internal Audit Annual Plan for Quarter four of 2018/2019</u> The Audit Committee resolved that: a) THAT the AC notes the progress made on the implementation of the Internal Audit Annual Plan for quarter four of 2018/2019.	Yes
8.3/28.06.2019	Title: <u>Audit Action Plan for Quarter four of 2018/2019</u> The Audit Committee resolved that: a) THAT the AC notes the progress made on the implementation of the Audit Action Plan for quarter four of 2018/2019.	Yes
8.4/28.06.2019	Title: <u>Risk Management Report for quarter four 2018/2019</u> The Audit Committee resolved that: a) THAT the AC notes the Risk Management Report for quarter four 2018/2019.	Yes
9.1/28.06.2019	Title: <u>Fraud and Corruption Prevention Plan for 2018/2019</u> The Audit Committee resolved that: a) THAT AC notes the Fraud and Corruption Prevention Strategy for 2018/2019.	Yes
9.2/28.06.2019	Title: <u>Section 71 Report</u> The Audit Committee resolved that: a) THAT AC notes the Section 71 Report.	Yes
9.3/28.06.2019	Title: <u>AGSA Readiness Plan</u> The Audit Committee resolved that: a) THAT AC notes the AGSA Readiness Plan	Yes
9.4/28.06.2019	Title: <u>Evaluation of Performance of the Audit Committee</u>	Yes

	The Audit Committee resolved that: a) THAT AC notes the Evaluation of Performance of the Audit Committee Report.	
10.1/28.06.2019	<u>Title: Performance Management for quarter three of 2018/2019</u> The Audit Committee resolved that: a) That the AC notes Performance Management for quarter three of 2018/2019.	Yes
10.2/28.06.2019	<u>Title: Fixed Assets Management for 2018/2019</u> The Audit Committee resolved that: a) That the AC notes the Fixed Assets Management for 2018/2019.	Yes